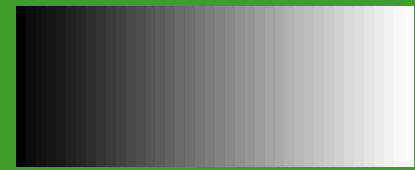
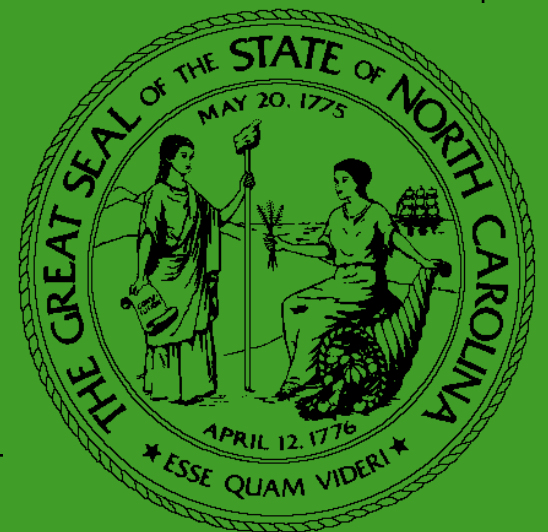


Managed Care

in North Carolina



Status Report and Analysis of 2000 Activity



North Carolina Department of Insurance
Managed Care and
Health Benefits Division
August 2001

Managed Care in North Carolina

Status Report and Analysis of 2000 Activity

Compiled by the Managed Care and Health Benefits Division
August 2001



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I. Introduction

About the North Carolina Department of Insurance

The North Carolina Department of Insurance is responsible for the protection of North Carolina citizens through the oversight and regulation of insurance companies and agents doing business in the State. In exercising its regulatory responsibilities, the Department seeks to ensure a marketplace in which consumers can readily purchase insurance at fair prices, from financially sound and responsive companies, for their lives, health and property.

In addition to regulating the insurance industry, the Department also enforces safety codes and standards and administers a variety of programs aimed at loss prevention and safety education and awareness throughout the State. Contact the Department to learn more about these safety and education activities.

The Department is headed by the Commissioner of Insurance, who is chosen by election every four years. North Carolina's current Commissioner of Insurance, Jim Long, is serving his fifth consecutive term since first being elected in 1984. Commissioner Long also serves as the State Fire Marshal.

About the Managed Care and Health Benefits Division

The Managed Care and Health Benefits Division was established in 1992, to monitor and regulate the activities of managed care entities, including health maintenance organizations (HMOs), preferred provider organization benefit plans (PPOs), managed care indemnity health insurers and multiple employer welfare arrangements (MEWAs). The Division's focus is on the non-financial aspects of company practices, with special emphasis on the impact companies' market practices have on managed care consumers.

In order to deliver the cost controls demanded by purchasers and consumers, managed care organizations apply a broad array of policies and techniques that have tremendous impact on consumers. Managed care introduced to the health care delivery system unique company, consumer and provider obligations not inherent in traditional indemnity insurance. These include requirements relating to provider networks, as well as programs and policies that insureds and their providers must follow as conditions of coverage for services. The techniques employed by managed care plans to promote quality care and eliminate unnecessary care, if not applied appropriately, can become barriers to coverage for the services promised under an insured's policy. Thus, the Department's traditional regulatory oversight of company market practices, treatment of policyholders and solvency are expanded to include those systems that are unique to managed care plans.

The Division's primary activities include:

- Coordinating the Department's review of the licensure and license modifications of HMOs and MEWAs;
- Reviewing annual and initial filings of PPO benefit plans;
- Conducting market practices examinations of HMOs and PPO benefit plans;
- Collecting and reporting HMO and PPO data;
- Approving provider and intermediary form contracts used by HMOs and PPO benefit plans;
- Handling provider complaints about managed care plans; and
- Responding to inquiries about managed care regulation from industry and other interested parties.

Data Sources

Unless otherwise noted, data presented in this report reflect plans' commercial-insured business only. "Commercial-insured" refers to those groups and individuals that pay premiums (at contracted rates) to an insurer, with the insurer accepting financial risk for the cost of covered healthcare services rendered over the course of the contract period. "Commercial-insured" excludes membership covered under self-funded employer plans, Federal plans, Medicare and Medicaid.

Annual Managed Care Data Filing: By March 1 of each year, all North Carolina-licensed HMOs and PPO plans are required (under NCGS 58-3-191) to submit an annual managed care data filing to the Department's

Managed Care and Health Benefits Division. The March 2001 filing, covering the 2000 calendar year, is this document's source for data on county-specific commercial-insured enrollment, utilization review activity, appeals, grievances and provider networks.

Annual Financial Statement: North Carolina law requires licensed HMOs to submit an annual financial statement to the Department's Financial Evaluation Division by March 1 of each year. The March 2001 statement, covering the 2000 calendar year, is this document's source for data on Statewide commercial-insured enrollment, premium revenues, medical expenses, inpatient days and outpatient encounters.

Although licensed insurers offering PPO benefit plans also file annual financial statements, financial data specific to their PPO lines of business are not reported separately. Therefore, the types of financial data listed above for HMOs are not available for PPO benefit plans.

Department of Insurance Records: The Department's own records are the source of data on consumer complaints, provider complaints and HMO service areas. Within this report, the term "complaints" refers to written complaints sent by consumers and providers to the Department of Insurance, not "appeals" and "grievances" sent directly to HMOs and PPO plans.

Note: The Department licenses HMOs for specific service areas (N.C. counties), but indemnity insurance companies which offer PPO benefit plans are licensed to do business on a Statewide basis. Therefore, service areas are not reported for PPO benefit plans.

The National Committee for Quality Assurance (NCQA): The NCQA evaluates and reports on the quality of HMOs across the nation. HMO participation in the NCQA accreditation program is voluntary. "Accreditation Status" reported in the one-page HMO profiles, was obtained from NCQA's website (<http://info.ncqa.org/status.htm>) and were current as of March 26, 2001. "Excellent" was the highest outcome a plan could receive, meaning the plan meets or exceeds NCQA's requirements for consumer protection and quality improvement.

Other Managed Care Reports Available

The *2000 Managed Care Plan Consumer Guide: A Comparison of HMOs and PPO Plans in North Carolina*, addresses the differences between types of managed care plans and contains data on member turnover, provider turnover and member appeals and grievances for HMO and PPO plans. The guide also contains a comparison of HMOs in North Carolina based on selected HEDIS data, including member satisfaction and clinical data.

Other Managed Care Data/Information Available from the Department

HMO Information:

- Approved service area by HMO
- Enrollment by county, by HMO as of Dec. 31, 2000
- Providers by county, by HMO as of Dec. 31, 2000
- Operational/performance data reported by HMOs annually, under authority of NCGS 58-3-191
- HEDIS data reported annually, under authority of NCGS 58-67-50(e)

PPO Carrier Information:

- List of PPO benefit plans
- Enrollment by county, by PPO benefit plan
- Operational/performance data reported by PPOs annually, under authority of NCGS 58-3-191

Please visit the North Carolina Department of Insurance website (<http://www.ncdoi.com>), where you can find information about managed care plans, health insurance and all types of insurance.

II. 2000 HMO ACTIVITY

Licensed Full-Service HMOs in North Carolina

The number of licensed full-service HMOs in North Carolina peaked at 24 in 1997 and has decreased to 17 since then. As indicated in Figure 1, three of these HMOs were no longer marketing their products as of Dec. 31, 2000. A fourth HMO was in the process of seeking approval to begin marketing.

Licensed Full-Service HMOs: 12/31/00 (Figure 1)	
Company Name	Short Name Used in Report
Aetna U.S. Healthcare of the Carolinas Inc.	AUSHC
Blue Cross Blue Shield of North Carolina Line of Business HMO	BCBS
Carolina Summit Healthcare, Inc.*	Carolina Summit
CIGNA HealthCare of North Carolina, Inc.	CIGNA
Coventry Health Care of the Carolinas, Inc.	Coventry
Doctors Health Plan, Inc.	Doctors
FirstCarolinaCare, Inc.	FirstCarolina
Generations Family Health Plan, Inc.**	Generations
One Health Plan of North Carolina, Inc.	One Health
Optimum Choice of the Carolinas, Inc.	Optimum Choice
Partners National Health Plans of North Carolina Inc.	Partners
Personal Care Plan of North Carolina, Inc.***	PCP Inc.
Prudential Health Care Plan, Inc.	Prudential
QualChoice of North Carolina, Inc.	Qualchoice
UnitedHealthCare of North Carolina, Inc.	UnitedHealth
Wellness Plan of North Carolina, Inc.***	Wellness Plan
WellPath Select, Inc.	Wellpath

Notes:

* Not yet marketing.

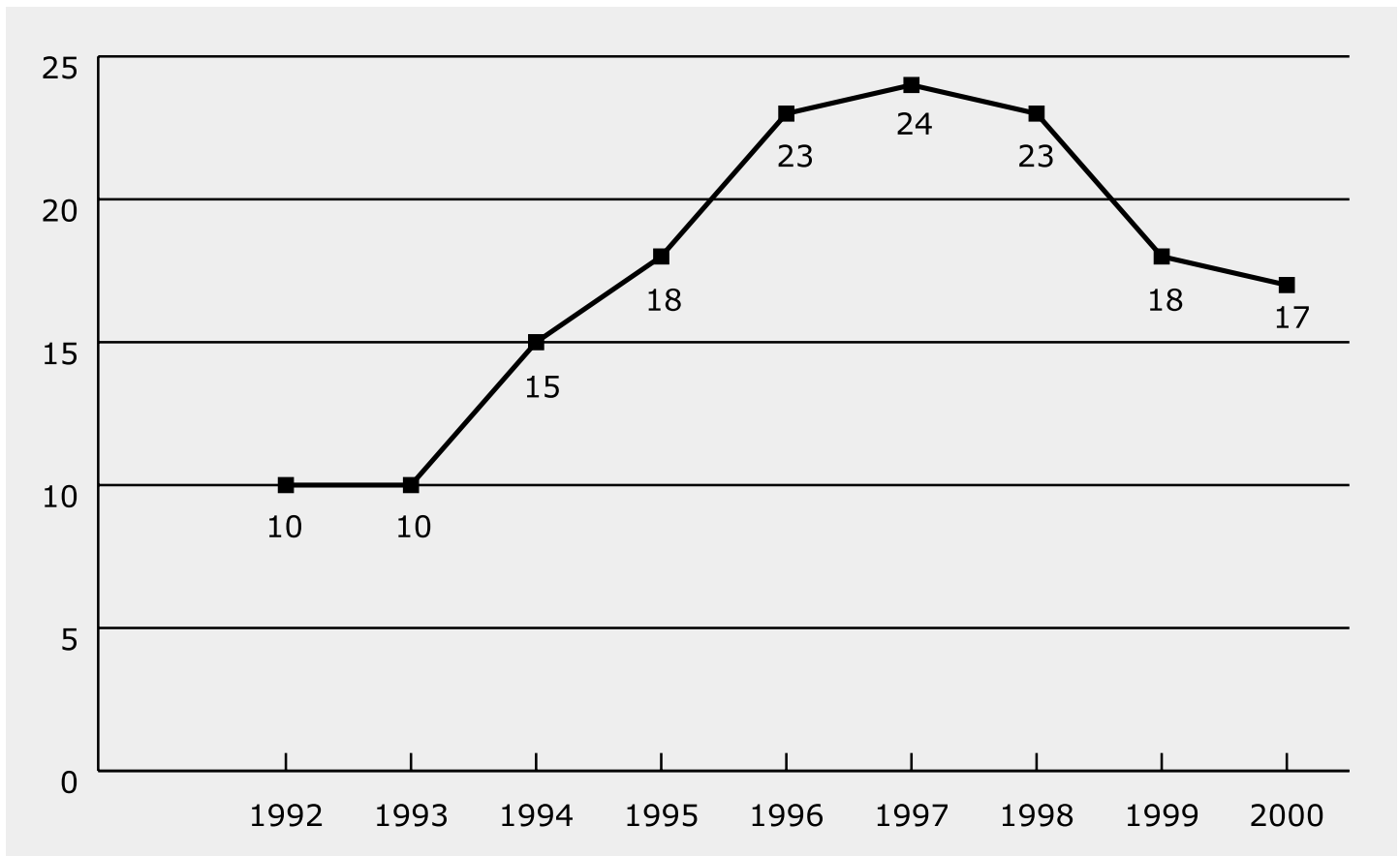
** Membership acquired by Partners, 11/1/00.

*** No longer marketing.

Personal Care Plan of North Carolina, Inc., was not required to submit an annual managed care data filing in 2001, for the 2000 data year.

Source: N.C. Department of Insurance.

Number of Licensed Full-Service HMOs: 1992-2000 (Figure 2)



Source: N.C. Department of Insurance.

Licensed Single-Service HMOs in North Carolina: 12/31/00 (Figure 3)

Company Name	Toll Free Phone	President	Address	City	State
American Dental Plan of North Carolina, Inc.	(800) 633-1262	Phyllis Klock	100 Mansell Court East	Roswell	GA
CIGNA Dental Health of North Carolina, Inc.	(800) 367-1037	Benjamin Haynes	300 N.W. 82nd Ave.	Plantation	FL
DentiCare, Inc.*	(800) 347-1870	Glenn Kollen	P.O. Box 2606	Birmingham	AL
NVAL Visioncare Systems of North Carolina, Inc.*		Diane Bradley	296 Grayson Hwy.	Lawrenceville	GA
Spectera Eyecare of North Carolina, Inc.		Laurence Manchio	2811 Lord Baltimore Dr.	Baltimore	MD

Notes:

Single-Service HMOs are licensed to sell HMO products related to a single-service product line such as dental or vision. However, most of these plans act as intermediaries for full-service HMOs rather than selling directly to individuals or groups.

*License restricted.

Source: N.C. Department of Insurance.

Full-Service HMO Profiles

(Guide to HMO Profile Layout)

HMO Name (HMO Short name)

President:
Address:
Phone:
Medical Director:
Member Toll Free:
Website:

Licensure in NC:
NCQA Accred. Status:
Profit Status:
Most Recent Exam:

Enrollment at 12/31/00	
Enrollment Summary	
Type	Members
Commercial - Insured	
Medicaid	
Medicare	
Total	
Commercial - Insured Enrollment by Premium Category	
Type	Members
Group	
Individual	
Member Months	
Commercial Insured	

Commercial-insured enrollment reported in each HMO's annual financial statement.

"Medical Loss Ratio" is the percentage of the HMO's Premium Revenue spent on Medical & Hospital care.

Plan's "Premium PMPM" is the average premium collected per-member, per-month (2000 premium revenue divided by 12/31/00 membership).

Financial Results for 2000

Item	Plan	Median*
Net Worth **		
Pre-Tax Profit (Loss) **		
Premiums Earned		
Incurred for Health Care Services		
Medical Loss Ratio		
Premium PMPM		

Data reported in each HMO's annual financial statement. Inpatient encounter data combine acute medical, surgical, and maternity stays (excluding mental health and sub-acute stays). Outpatient/Ambulatory encounter data combine office visits, ambulatory surgery and other procedures, and observation stays (excluding ER visits).

Member Encounter Data

Item	Rate per 10,000 member months	Median*
Inpatient Days		
Outpatient/Ambulatory		

Grievances, Appeals and Complaints

Item	Rate per 10,000 member months	Median*
1st Level UR Appeals		
1st Level UR Grievances		
"Validated" Consumer Complaints		

Grievance and Appeal data reported in each HMO's annual data filing, as required under NCGS 58-3-191. **Complaint data** provided by the Department's Consumer Services Division.

Member Turnover

Item	Percent	Median*
Membership Change 12/31/99 - 12/31/00		

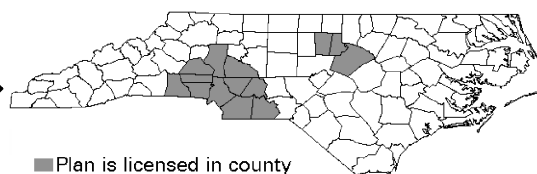
Provider Turnover

Item	Providers	Median*
Resigning		
Terminated by Plan		
Added		
Total as of 12/31/00		

Turnover data reported in each HMO's annual data filing, as required under NCGS 58-3-191. Percentages reflect change from 12/31/99 to 12/31/00.

Service Area

The Department of Insurance licenses an HMO to market within specific counties (its "Service Area"), based on provider network adequacy and other factors. The HMO might choose, however, to focus its marketing efforts toward specific counties or regions within the Service Area, at different times.



Aetna U.S. Healthcare of the Carolinas Inc. (AUSHC)

President/CEO: Patricia Ferrell

Address: 1301 McCormick Dr., Largo, MD 20774

Phone: (301) 636-1001

Medical Director: Edward Koza, MD (acting)

Member Toll Free: (800) 872-3862

Website: <http://www.aetnaushc.com>

Licensure in NC: 09/20/95

NCQA Accred. Status:

Profit Status: For Profit

Most Recent Exam: 04/28/00

Enrollment at 12/31/00

Enrollment Summary	
Type	Members
Commercial - Insured	64,309
Medicaid	0
Medicare	0
Total	64,309
Commercial - Insured Enrollment by Premium Category	
Type	Members
Group	64,206
Individual	103
Member Months	
Commercial Insured	795,090

Financial Results for 2000

Item	Plan	Median*
Net Worth **	\$5,546,392.00	\$8,415,774.50
Pre-Tax Profit (Loss) **	(\$25,526,912.00)	(\$1,375,782.00)
Premiums Earned	\$103,821,199.00	\$106,961,998.00
Incurred for Health Care Services	\$105,751,741.00	\$103,820,092.50
Medical Loss Ratio	1.02	0.93
Premium PMPM	130.58	153.47

Member Encounter Data

Item	Rate per 10,000 member months	Median*
Inpatient Days	178.63	207.65
Outpatient/Ambulatory	4,810.00	4,780.01

Grievances, Appeals and Complaints

Item	Rate per 10,000 member months	Median*
1st Level UR Appeals	0.96	0.96
1st Level UR Grievances	1.33	1.89
"Validated" Consumer Complaints	0.01	0.06

Member Turnover

Item	Percent	Median*
Membership Change 12/31/99 - 12/31/00	18.5%	-6.1%

Provider Turnover

Item	Providers	Median*
Resigning	590	363
Terminated by Plan	6	3
Added	710	895
Total as of 12/31/00	4,295	5,599

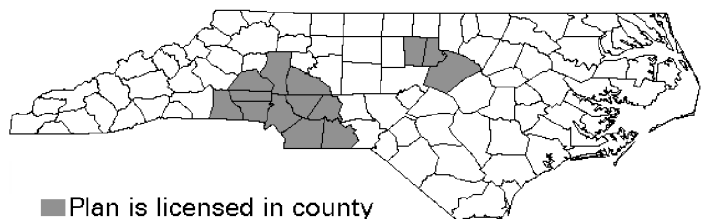
NA = Not Applicable

DNR = Did Not Report Required Data

* Median for North Carolina HMOs

** HMO financial data not limited to commercial-insured business; also includes Medicare, Medicaid and/or ASO business (if applicable).

Service Area



Blue Cross Blue Shield of North Carolina Line of Business HMO (BCBS)

President/CEO: Robert J. Greczyn, Jr.
Address: P.O. Box 2291, Durham, NC 27702
Phone: (919) 489-7431
Medical Director: Robert T. Harris, MD
Member Toll Free: (800) 324-4973

Website: <http://www.bcbsnc.com>
Licensure in NC: 09/02/81
NCQA Accred. Status: Commendable
Profit Status: Not For Profit
Most Recent Exam: 03/30/01

Enrollment at 12/31/00

Enrollment Summary	
Type	Members
Commercial - Insured	105,766
Medicaid	0
Medicare	0
Total	105,766
Commercial - Insured Enrollment by Premium Category	
Type	Members
Group	105,766
Individual	0
Member Months	
Commercial Insured	1,354,969

Financial Results for 2000

Item	Plan	Median*
Net Worth **	\$542,245,945.00	\$8,415,774.50
Pre-Tax Profit (Loss) **	\$6,147,912.00	(\$1,375,782.00)
Premiums Earned	\$215,264,037.00	\$106,961,998.00
Incurred for Health Care Services	\$181,005,000.00	\$103,820,092.50
Medical Loss Ratio	0.84	0.93
Premium PMPM	158.87	153.47

Member Encounter Data

Item	Rate per 10,000 member months	Median*
Inpatient Days	DNR	207.65
Outpatient/Ambulatory	DNR	4,780.01

Grievances, Appeals and Complaints

Item	Rate per 10,000 member months	Median*
1st Level UR Appeals	0.41	0.96
1st Level UR Grievances	2.58	1.89
"Validated" Consumer Complaints	0.01	0.06

Member Turnover

Item	Percent	Median*
Membership Change 12/31/99 - 12/31/00	-7.1%	-6.1%

Provider Turnover

Item	Providers	Median*
Resigning	764	363
Terminated by Plan	154	3
Added	1,695	895
Total as of 12/31/00	14,355	5,599

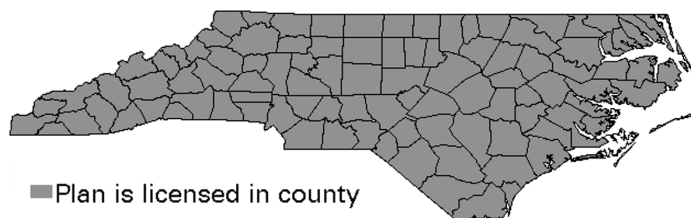
NA = Not Applicable

DNR = Did Not Report Required Data

* Median for North Carolina HMOs

** HMO financial data not limited to commercial-insured business; also includes Medicare, Medicaid and/or ASO business (if applicable).

Service Area



Carolina Summit Healthcare, Inc. (Carolina Summit)

President/CEO: Randall H. Madry

Address: 3261 Atlantic Avenue, Suite 120, Raleigh, NC 27604

Phone: (919) 875-2360

Medical Director: Curtis Eshelman, MD

Member Toll Free:

Website:

Licensure in NC: 02/14/96

NCQA Accred. Status:

Profit Status: For Profit

Most Recent Exam: 02/14/96

Enrollment at 12/31/00

Enrollment Summary	
Type	Members
Commercial - Insured	0
Medicaid	0
Medicare	0
Total	0
Commercial - Insured Enrollment by Premium Category	
Type	Members
Group	0
Individual	0
Member Months	
Commercial Insured	0

Financial Results for 2000

Item	Plan	Median*
Net Worth **	NA	\$8,415,774.50
Pre-Tax Profit (Loss) **	NA	(\$1,375,782.00)
Premiums Earned	NA	\$106,961,998.00
Incurred for Health Care Services	NA	\$103,820,092.50
Medical Loss Ratio	NA	0.93
Premium PMPM	NA	153.47

Member Encounter Data

Item	Rate per 10,000 member months	Median*
Inpatient Days	NA	207.65
Outpatient/Ambulatory	NA	4,780.01

Grievances, Appeals and Complaints

Item	Rate per 10,000 member months	Median*
1st Level UR Appeals	NA	0.96
1st Level UR Grievances	NA	1.89
"Validated" Consumer Complaints	NA	0.06

Member Turnover

Item	Percent	Median*
Membership Change 12/31/99 - 12/31/00	NA	-6.1%

Provider Turnover

Item	Providers	Median*
Resigning	NA	363
Terminated by Plan	NA	3
Added	NA	895
Total as of 12/31/00	NA	5,599

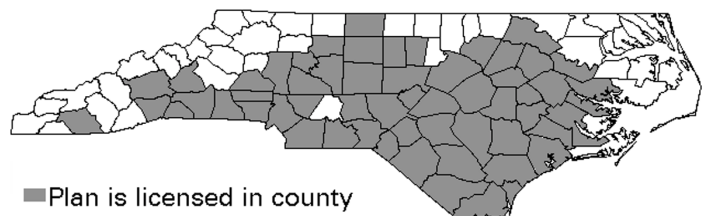
NA = Not Applicable

DNR = Did Not Report Required Data

* Median for North Carolina HMOs

** HMO financial data not limited to commercial-insured business; also includes Medicare, Medicaid and/or ASO business (if applicable).

Service Area



CIGNA HealthCare of North Carolina, Inc. (CIGNA)

President/CEO: Steven A. White

Address: 701 Corporate Center Drive, Raleigh, NC 27607

Phone: (919) 854-7000

Medical Director: William M. Parham, III, MD

Member Toll Free: (800) 235-5707

Website: <http://www.cigna.com>

Licensure in NC: 04/18/86

NCQA Accred. Status: Commendable

Profit Status: For Profit

Most Recent Exam: 03/13/00

Enrollment at 12/31/00	
Enrollment Summary	
Type	Members
Commercial - Insured	202,408
Medicaid	0
Medicare	0
Total	202,408
Commercial - Insured Enrollment by Premium Category	
Type	Members
Group	202,408
Individual	0
Member Months	
Commercial Insured	2,115,607

Financial Results for 2000		
Item	Plan	Median*
Net Worth **	\$48,009,191.00	\$8,415,774.50
Pre-Tax Profit (Loss) **	\$17,994,327.00	(\$1,375,782.00)
Premiums Earned	\$320,875,583.00	\$106,961,998.00
Incurred for Health Care Services	\$266,964,612.00	\$103,820,092.50
Medical Loss Ratio	0.83	0.93
Premium PMPM	151.67	153.47

Member Encounter Data		
Item	Rate per 10,000 member months	Median*
Inpatient Days	353.21	207.65
Outpatient/Ambulatory	707.14	4,780.01

Grievances, Appeals and Complaints		
Item	Rate per 10,000 member months	Median*
1st Level UR Appeals	2.94	0.96
1st Level UR Grievances	0.76	1.89
"Validated" Consumer Complaints	0.06	0.06

Member Turnover		
Item	Percent	Median*
Membership Change 12/31/99 - 12/31/00	18.9%	-6.1%

Provider Turnover		
Item	Providers	Median*
Resigning	276	363
Terminated by Plan	22	3
Added	1,020	895
Total as of 12/31/00	8,724	5,599

NA = Not Applicable

DNR = Did Not Report Required Data

* Median for North Carolina HMOs

** HMO financial data not limited to commercial-insured business; also includes Medicare, Medicaid and/or ASO business (if applicable).

Service Area



Coventry Health Care of the Carolinas, Inc. (Coventry)

President/CEO: Tracy H. Baker

Address: c/o WellPath Community Health Plans, 6330 Quadrangle Drive, Suite 500, Chapel Hill, NC 27514

Phone: (800) 935-7284

Medical Director: Marty Scott, MD

Member Toll Free: (800) 935-7284

Website: <http://www.cvtv.com>

Licensure in NC: 12/15/94

NCQA Accred. Status:

Profit Status: For Profit

Most Recent Exam: 10/29/99

Enrollment at 12/31/00

Enrollment Summary	
Type	Members
Commercial - Insured	32,290
Medicaid	4,482
Medicare	0
Total	36,772
Commercial - Insured Enrollment by Premium Category	
Type	Members
Group	32,290
Individual	0
Member Months	
Commercial Insured	386,635

Financial Results for 2000

Item	Plan	Median*
Net Worth **	\$8,004,855.00	\$8,415,774.50
Pre-Tax Profit (Loss) **	\$1,197,999.00	(\$1,375,782.00)
Premiums Earned	\$58,606,596.00	\$106,961,998.00
Incurred for Health Care Services	\$49,895,312.00	\$103,820,092.50
Medical Loss Ratio	0.85	0.93
Premium PMPM	151.58	153.47

Member Encounter Data

Item	Rate per 10,000 member months	Median*
Inpatient Days	236.86	207.65
Outpatient/Ambulatory	13,683.03	4,780.01

Grievances, Appeals and Complaints

Item	Rate per 10,000 member months	Median*
1st Level UR Appeals	1.11	0.96
1st Level UR Grievances	1.53	1.89
"Validated" Consumer Complaints	0.16	0.06

Member Turnover

Item	Percent	Median*
Membership Change 12/31/99 - 12/31/00	-25.8%	-6.1%

Provider Turnover

Item	Providers	Median*
Resigning	243	363
Terminated by Plan	0	3
Added	525	895
Total as of 12/31/00	1,762	5,599

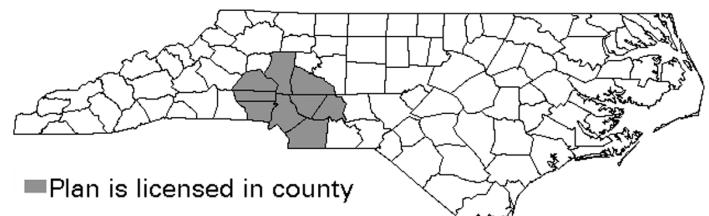
NA = Not Applicable

DNR = Did Not Report Required Data

* Median for North Carolina HMOs

** HMO financial data not limited to commercial-insured business; also includes Medicare, Medicaid and/or ASO business (if applicable).

Service Area



Doctors Health Plan, Inc. (Doctors)

President/CEO: George C. Stokes

Address: 3104 Croasdaile Drive, Suite 300, Durham, NC 27705

Phone: (919) 383-4175

Medical Director: Nancy S. Henley, MD

Member Toll Free: (800) 476-2303

Website: <http://www.dhpcare.com>

Licensure in NC: 09/30/94

NCQA Accred. Status:

Profit Status: For Profit

Most Recent Exam: 11/20/00

Enrollment at 12/31/00

Enrollment Summary	
Type	Members
Commercial - Insured	13,936
Medicaid	0
Medicare	0
Total	13,936
Commercial - Insured Enrollment by Premium Category	
Type	Members
Group	13,936
Individual	0
Member Months	
Commercial Insured	275,106

Financial Results for 2000

Item	Plan	Median*
Net Worth **	\$3,112,556.00	\$8,415,774.50
Pre-Tax Profit (Loss) **	(\$8,511,149.00)	(\$1,375,782.00)
Premiums Earned	\$47,398,502.00	\$106,961,998.00
Incurred for Health Care Services	\$54,566,102.00	\$103,820,092.50
Medical Loss Ratio	1.15	0.93
Premium PMPM	172.29	153.47

Member Encounter Data

Item	Rate per 10,000 member months	Median*
Inpatient Days	283.38	207.65
Outpatient/Ambulatory	3,058.71	4,780.01

Grievances, Appeals and Complaints

Item	Rate per 10,000 member months	Median*
1st Level UR Appeals	0.40	0.96
1st Level UR Grievances	1.89	1.89
"Validated" Consumer Complaints	0.29	0.06

Member Turnover

Item	Percent	Median*
Membership Change 12/31/99 - 12/31/00	-56.0%	-6.1%

Provider Turnover

Item	Providers	Median*
Resigning	1,721	363
Terminated by Plan	96	3
Added	1,451	895
Total as of 12/31/00	6,114	5,599

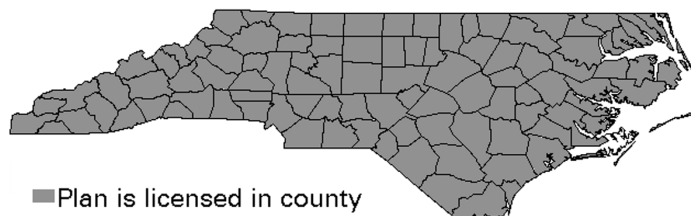
NA = Not Applicable

DNR = Did Not Report Required Data

* Median for North Carolina HMOs

** HMO financial data not limited to commercial-insured business; also includes Medicare, Medicaid and/or ASO business (if applicable).

Service Area



FirstCarolinaCare, Inc. (FirstCarolina)

President/CEO: R. Dale Vaughan

Address: 315 North Page Road, Commons II, P.O. Box 909,
Pinehurst, NC 28370

Phone: (910) 215-5270

Medical Director: Burt Place, MD

Member Toll Free: (800) 574-8556

Website:

Licensure in NC: 11/13/96

NCQA Accred. Status:

Profit Status: For Profit

Most Recent Exam: 11/20/00

Enrollment at 12/31/00

Enrollment Summary	
Type	Members
Commercial - Insured	0
Medicaid	0
Medicare	0
Total	0
Commercial - Insured Enrollment by Premium Category	
Type	Members
Group	0
Individual	0
Member Months	
Commercial Insured	0

Financial Results for 2000

Item	Plan	Median*
Net Worth **	\$7,623,914.56	\$8,415,774.50
Pre-Tax Profit (Loss) **	\$116,023.00	(\$1,375,782.00)
Premiums Earned	NA	\$106,961,998.00
Incurred for Health Care Services	NA	\$103,820,092.50
Medical Loss Ratio	NA	0.93
Premium PMPM	NA	153.47

Member Encounter Data

Item	Rate per 10,000 member months	Median*
Inpatient Days	NA	207.65
Outpatient/Ambulatory	NA	4,780.01

Grievances, Appeals and Complaints

Item	Rate per 10,000 member months	Median*
1st Level UR Appeals	NA	0.96
1st Level UR Grievances	NA	1.89
"Validated" Consumer Complaints	NA	0.06

Member Turnover

Item	Percent	Median*
Membership Change 12/31/99 - 12/31/00	NA	-6.1%

Provider Turnover

Item	Providers	Median*
Resigning	0	363
Terminated by Plan	0	3
Added	0	895
Total as of 12/31/00	1,694	5,599

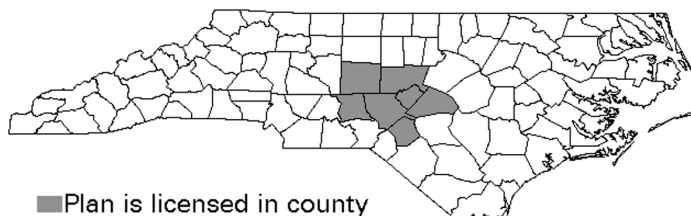
NA = Not Applicable

DNR = Did Not Report Required Data

* Median for North Carolina HMOs

** HMO financial data not limited to commercial-insured business; also includes Medicare, Medicaid and/or ASO business (if applicable).

Service Area



Generations Family Health Plan, Inc. (Generations)

President/CEO: John C. Hays

Address: 6330 Quadrangle Dr., Suite 100, Chapel Hill, NC 27514

Phone: (919) 490-0102

Medical Director: James Bowman, MD

Member Toll Free: (888) 256-5563

Website: <http://www.famplan.com>

Licensure in NC: 04/02/97

NCQA Accred. Status:

Profit Status: For Profit

Most Recent Exam: 07/05/00

Enrollment at 12/31/00

Enrollment Summary	
Type	Members
Commercial - Insured	0
Medicaid	0
Medicare	0
Total	0
Commercial - Insured Enrollment by Premium Category	
Type	Members
Group	0
Individual	0
Member Months	
Commercial Insured	NA

Financial Results for 2000

Item	Plan	Median*
Net Worth **	\$3,882,745.00	\$8,415,774.50
Pre-Tax Profit (Loss) **	(\$4,826,881.00)	(\$1,375,782.00)
Premiums Earned	NA	\$106,961,998.00
Incurred for Health Care Services	NA	\$103,820,092.50
Medical Loss Ratio	NA	0.93
Premium PMPM	NA	153.47

Member Encounter Data

Item	Rate per 10,000 member months	Median*
Inpatient Days	NA	207.65
Outpatient/Ambulatory	NA	4,780.01

Grievances, Appeals and Complaints

Item	Rate per 10,000 member months	Median*
1st Level UR Appeals	NA	0.96
1st Level UR Grievances	NA	1.89
"Validated" Consumer Complaints	0.00	0.06

Member Turnover

Item	Percent	Median*
Membership Change 12/31/99 - 12/31/00	NA	-6.1%

Provider Turnover

Item	Providers	Median*
Resigning	NA	363
Terminated by Plan	NA	3
Added	NA	895
Total as of 12/31/00	NA	5,599

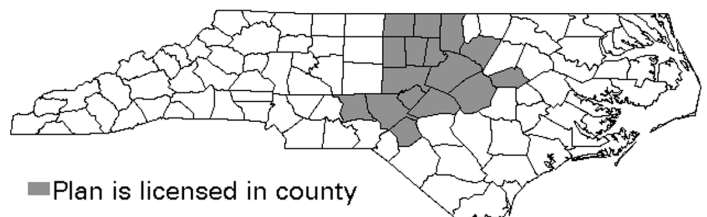
NA = Not Applicable

DNR = Did Not Report Required Data

* Median for North Carolina HMOs

** HMO financial data not limited to commercial-insured business; also includes Medicare, Medicaid and/or ASO business (if applicable).

Service Area



One Health Plan of North Carolina, Inc. (One Health)

President/CEO: David E. Record

Address: 6000 Fairview Road, Suite 500, Charlotte, NC 28210

Phone: (704) 552-9642

Medical Director: Deborah Scott, MD

Member Toll Free: (888) 663-8081

Website: <http://www.onehealthplan.com/ONEprov.html>

Licensure in NC: 07/20/99

NCQA Accred. Status:

Profit Status: For Profit

Most Recent Exam: 11/22/99

Enrollment at 12/31/00

Enrollment Summary	
Type	Members
Commercial - Insured	3,385
Medicaid	0
Medicare	0
Total	3,385
Commercial - Insured Enrollment by Premium Category	
Type	Members
Group	3,385
Individual	0
Member Months	
Commercial Insured	26,022

Financial Results for 2000

Item	Plan	Median*
Net Worth **	\$3,717,224.00	\$8,415,774.50
Pre-Tax Profit (Loss) **	(\$760,691.00)	(\$1,375,782.00)
Premiums Earned	\$4,045,267.00	\$106,961,998.00
Incurred for Health Care Services	\$4,121,030.00	\$103,820,092.50
Medical Loss Ratio	1.02	0.93
Premium PMPM	155.46	153.47

Member Encounter Data

Item	Rate per 10,000 member months	Median*
Inpatient Days	180.62	207.65
Outpatient/Ambulatory	4,004.69	4,780.01

Grievances, Appeals and Complaints

Item	Rate per 10,000 member months	Median*
1st Level UR Appeals	0.00	0.96
1st Level UR Grievances	0.00	1.89
"Validated" Consumer Complaints	0.00	0.06

Member Turnover

Item	Percent	Median*
Membership Change 12/31/99 - 12/31/00	29572.7%	-6.1%

Provider Turnover

Item	Providers	Median*
Resigning	283	363
Terminated by Plan	0	3
Added	79	895
Total as of 12/31/00	0	5,599

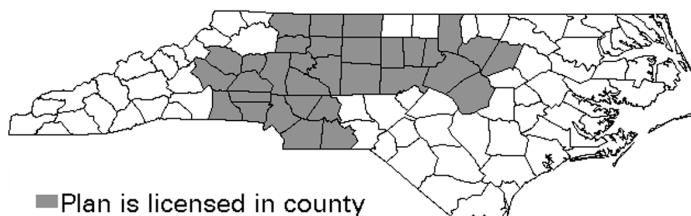
NA = Not Applicable

DNR = Did Not Report Required Data

* Median for North Carolina HMOs

** HMO financial data not limited to commercial-insured business; also includes Medicare, Medicaid and/or ASO business (if applicable).

Service Area



Optimum Choice of the Carolinas, Inc. (Optimum Choice)

President/CEO: Thomas P. Barbera

Address: 4 Taft Ct., Rockville, MD 20850

Phone: (301) 294-1580

Medical Director: C. Franklin Church, MD

Member Toll Free: (800) 347-1965

Website: <http://www.mamsi.com/occi>

Licensure in NC: 07/12/95

NCQA Accred. Status:

Profit Status: For Profit

Most Recent Exam: 06/23/00

Enrollment at 12/31/00

Enrollment Summary	
Type	Members
Commercial - Insured	9,659
Medicaid	0
Medicare	0
Total	9,659
Commercial - Insured Enrollment by Premium Category	
Type	Members
Group	9,659
Individual	0
Member Months	
Commercial Insured	129,536

Financial Results for 2000

Item	Plan	Median*
Net Worth **	\$3,589,815.00	\$8,415,774.50
Pre-Tax Profit (Loss) **	(\$6,041,285.00)	(\$1,375,782.00)
Premiums Earned	\$18,078,627.00	\$106,961,998.00
Incurred for Health Care Services	\$20,860,113.00	\$103,820,092.50
Medical Loss Ratio	1.15	0.93
Premium PMPM	139.56	153.47

Member Encounter Data

Item	Rate per 10,000 member months	Median*
Inpatient Days	6.10	207.65
Outpatient/Ambulatory	4,750.03	4,780.01

Grievances, Appeals and Complaints

Item	Rate per 10,000 member months	Median*
1st Level UR Appeals	0.31	0.96
1st Level UR Grievances	9.11	1.89
"Validated" Consumer Complaints	0.31	0.06

Member Turnover

Item	Percent	Median*
Membership Change 12/31/99 - 12/31/00	-6.1%	-6.1%

Provider Turnover

Item	Providers	Median*
Resigning	442	363
Terminated by Plan	5	3
Added	1,196	895
Total as of 12/31/00	5,961	5,599

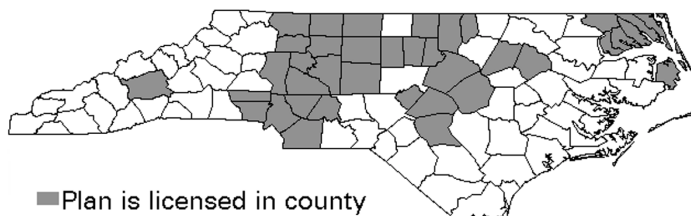
NA = Not Applicable

DNR = Did Not Report Required Data

* Median for North Carolina HMOs

** HMO financial data not limited to commercial-insured business; also includes Medicare, Medicaid and/or ASO business (if applicable).

Service Area



Partners National Health Plans of North Carolina, Inc. (Partners)

President/CEO: James J. Broderick

Address: 2085 Frontis Plaza Boulevard, Winston-Salem, NC 27103

Phone: (336) 760-4822

Medical Director: William Spencer, MD

Member Toll Free: (800) 942-5695

Website: <http://www.partnershealth.com>

Licensure in NC: 10/30/86

NCQA Accred. Status: Excellent

Profit Status: For Profit

Most Recent Exam: 05/05/00

Enrollment at 12/31/00

Enrollment Summary	
Type	Members
Commercial - Insured	238,235
Medicaid	0
Medicare	23,777
Total	262,012
Commercial - Insured Enrollment by Premium Category	
Type	Members
Group	238,235
Individual	0
Member Months	
Commercial Insured	3,117,979

Financial Results for 2000

Item	Plan	Median*
Net Worth **	\$48,848,228.00	\$8,415,774.50
Pre-Tax Profit (Loss) **	(\$150,914.00)	(\$1,375,782.00)
Premiums Earned	\$474,994,757.00	\$106,961,998.00
Incurred for Health Care Services	\$440,523,304.00	\$103,820,092.50
Medical Loss Ratio	0.93	0.93
Premium PMPM	152.34	153.47

Member Encounter Data

Item	Rate per 10,000 member months	Median*
Inpatient Days	240.31	207.65
Outpatient/Ambulatory	5,053.04	4,780.01

Grievances, Appeals and Complaints

Item	Rate per 10,000 member months	Median*
1st Level UR Appeals	4.72	0.96
1st Level UR Grievances	2.51	1.89
"Validated" Consumer Complaints	0.06	0.06

Member Turnover

Item	Percent	Median*
Membership Change 12/31/99 - 12/31/00	-5.4%	-6.1%

Provider Turnover

Item	Providers	Median*
Resigning	566	363
Terminated by Plan	1	3
Added	3,211	895
Total as of 12/31/00	12,549	5,599

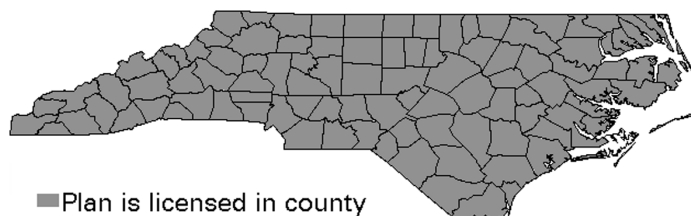
NA = Not Applicable

DNR = Did Not Report Required Data

* Median for North Carolina HMOs

** HMO financial data not limited to commercial-insured business; also includes Medicare, Medicaid and/or ASO business (if applicable).

Service Area



Personal Care Plan of North Carolina, Inc. (PCP Inc.)

President/CEO: Robert J. Greczyn, Jr.

Address: P. O. Box 2291, Durham, NC 27702

Phone: (919) 489-7431

Medical Director: Robert T. Harris, MD

Member Toll Free: (800) 227-3727

Website: <http://www.bcbsnc.com>

Licensure in NC: 11/19/85

NCQA Accred. Status: Commendable

Profit Status: For Profit

Most Recent Exam: 11/18/98

Enrollment at 12/31/00

Enrollment Summary	
Type	Members
Commercial - Insured	3,426
Medicaid	0
Medicare	0
Total	3,426
Commercial - Insured Enrollment by Premium Category	
Type	Members
Group	3,401
Individual	25
Member Months	
Commercial Insured	43,414

Financial Results for 2000

Item	Plan	Median*
Net Worth **	\$10,837,397.00	\$8,415,774.50
Pre-Tax Profit (Loss) **	\$1,525,818.00	(\$1,375,782.00)
Premiums Earned	\$7,758,856.00	\$106,961,998.00
Incurred for Health Care Services	\$6,155,692.00	\$103,820,092.50
Medical Loss Ratio	0.79	0.93
Premium PMPM	0.00	153.47

Member Encounter Data

Item	Rate per 10,000 member months	Median*
Inpatient Days	225.04	207.65
Outpatient/Ambulatory	3,465.01	4,780.01

Grievances, Appeals and Complaints

Item	Rate per 10,000 member months	Median*
1st Level UR Appeals	NA	0.96
1st Level UR Grievances	NA	1.89
"Validated" Consumer Complaints	0.00	0.06

Member Turnover

Item	Percent	Median*
Membership Change 12/31/99 - 12/31/00	NA	-6.1%

Provider Turnover

Item	Providers	Median*
Resigning	NA	363
Terminated by Plan	NA	3
Added	NA	895
Total as of 12/31/00	NA	5,599

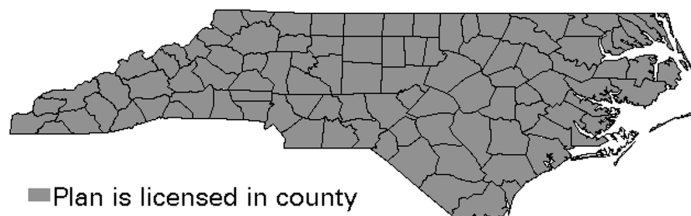
NA = Not Applicable

DNR = Did Not Report Required Data

* Median for North Carolina HMOs

** HMO financial data not limited to commercial-insured business; also includes Medicare, Medicaid and/or ASO business (if applicable).

Service Area



Prudential Health Care Plan, Inc. (Prudential)

President/CEO: James W. Cassidy

Address: 2859 Paces Ferry Road, Atlanta, GA 30339

Phone: (770) 801-7500

Medical Director: Andrew Price, MD

Member Toll Free: (800) 643-3609

Website: <http://www.aetnaushc.com/pruhealthcare>

Licensure in NC: 03/11/85

NCQA Accred. Status: Excellent

Profit Status: For Profit

Most Recent Exam: 02/09/01

Enrollment at 12/31/00

Enrollment Summary

Type	Members
Commercial - Insured	28,640
Medicaid	0
Medicare	0
Total	28,640

Commercial - Insured Enrollment by Premium Category

Type	Members
Group	28,640
Individual	0
Member Months	
Commercial Insured	369,937

Financial Results for 2000

Item	Plan	Median*
Net Worth **	\$172,728,546.00	\$8,415,774.50
Pre-Tax Profit (Loss) **	(\$1,990,872.00)	(\$1,375,782.00)
Premiums Earned	\$57,189,936.00	\$106,961,998.00
Incurred for Health Care Services	\$50,781,249.00	\$103,820,092.50
Medical Loss Ratio	0.89	0.93
Premium PMPM	154.59	153.47

Member Encounter Data

Item	Rate per 10,000 member months	Median*
Inpatient Days	197.49	207.65
Outpatient/Ambulatory	5,252.06	4,780.01

Grievances, Appeals and Complaints

Item	Rate per 10,000 member months	Median*
1st Level UR Appeals	1.19	0.96
1st Level UR Grievances	5.16	1.89
"Validated" Consumer Complaints	0.27	0.06

Member Turnover

Item	Percent	Median*
Membership Change 12/31/99 - 12/31/00	-41.8%	-6.1%

Provider Turnover

Item	Providers	Median*
Resigning	259	363
Terminated by Plan	1	3
Added	646	895
Total as of 12/31/00	5,237	5,599

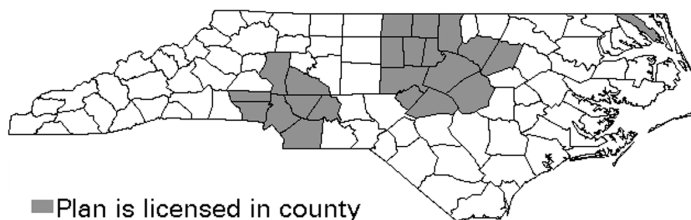
NA = Not Applicable

DNR = Did Not Report Required Data

* Median for North Carolina HMOs

** HMO financial data not limited to commercial-insured business; also includes Medicare, Medicaid and/or ASO business (if applicable).

Service Area



QualChoice of North Carolina, Inc. (QualChoice)

President/CEO: David Britt Patterson

Address: P. O. Box 340, Winston-Salem, NC 27102-0340

Phone: (336) 716-0900

Medical Director: Alfonso H. Janoski, MD

Member Toll Free: (800) 816-8117

Website: <http://www.qualchoicenc.com>

Licensure in NC: 09/29/94

NCQA Accred. Status:

Profit Status: For Profit

Most Recent Exam: 04/30/01

Enrollment at 12/31/00

Enrollment Summary

Type	Members
Commercial - Insured	53,994
Medicaid	0
Medicare	14,295
Total	68,289

Commercial - Insured Enrollment by Premium Category

Type	Members
Group	53,994
Individual	0
Member Months	
Commercial Insured	675,883

Financial Results for 2000

Item	Plan	Median*
Net Worth **	\$10,807,216.00	\$8,415,774.50
Pre-Tax Profit (Loss) **	(\$10,997,723.00)	(\$1,375,782.00)
Premiums Earned	\$110,102,797.00	\$106,961,998.00
Incurred for Health Care Services	\$101,888,444.00	\$103,820,092.50
Medical Loss Ratio	0.93	0.93
Premium PMPM	162.90	153.47

Member Encounter Data

Item	Rate per 10,000 member months	Median*
Inpatient Days	196.35	207.65
Outpatient/Ambulatory	DNR	4,780.01

Grievances, Appeals and Complaints

Item	Rate per 10,000 member months	Median*
1st Level UR Appeals	0.03	0.96
1st Level UR Grievances	7.38	1.89
"Validated" Consumer Complaints	0.03	0.06

Member Turnover

Item	Percent	Median*
Membership Change 12/31/99 - 12/31/00	-4.2%	-6.1%

Provider Turnover

Item	Providers	Median*
Resigning	121	363
Terminated by Plan	1	3
Added	770	895
Total as of 12/31/00	3,944	5,599

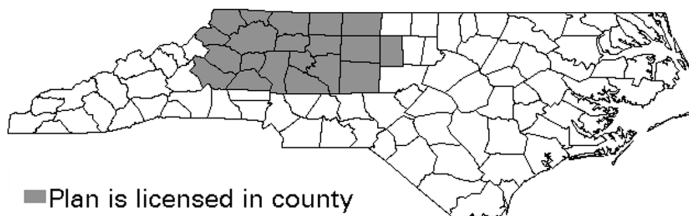
NA = Not Applicable

DNR = Did Not Report Required Data

* Median for North Carolina HMOs

** HMO financial data not limited to commercial-insured business; also includes Medicare, Medicaid and/or ASO business (if applicable).

Service Area



UnitedHealthCare of North Carolina, Inc. (UnitedHealth)

President/CEO: Frank Mascia

Address: 3803 N. Elm St., Greensboro, NC 27455

Phone: (336) 282-0900

Medical Director: William Lynagh, MD

Member Toll Free:

Website: <http://www.unitedhealthcare.com>

Licensure in NC: 05/21/85

NCQA Accred. Status: Commendable

Profit Status: For Profit

Most Recent Exam: 09/28/00

Enrollment at 12/31/00

Enrollment Summary	
Type	Members
Commercial - Insured	280,088
Medicaid	9,019
Medicare	6,199
Total	295,306
Commercial - Insured Enrollment by Premium Category	
Type	Members
Group	279,953
Individual	135
Member Months	
Commercial Insured	3,252,369

Financial Results for 2000

Item	Plan	Median*
Net Worth **	\$46,164,016.00	\$8,415,774.50
Pre-Tax Profit (Loss) **	\$30,368,033.00	(\$1,375,782.00)
Premiums Earned	\$547,384,407.00	\$106,961,998.00
Incurred for Health Care Services	\$438,934,003.00	\$103,820,092.50
Medical Loss Ratio	0.80	0.93
Premium PMPM	168.30	153.47

Member Encounter Data

Item	Rate per 10,000 member months	Median*
Inpatient Days	199.95	207.65
Outpatient/Ambulatory	DNR	4,780.01

Grievances, Appeals and Complaints

Item	Rate per 10,000 member months	Median*
1st Level UR Appeals	0.34	0.96
1st Level UR Grievances	1.11	1.89
"Validated" Consumer Complaints	0.05	0.06

Member Turnover

Item	Percent	Median*
Membership Change 12/31/99 - 12/31/00	10.9%	-6.1%

Provider Turnover

Item	Providers	Median*
Resigning	635	363
Terminated by Plan	7	3
Added	1,767	895
Total as of 12/31/00	11,574	5,599

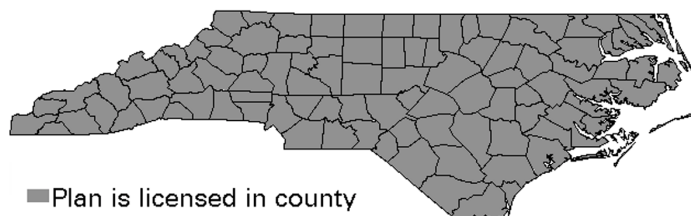
NA = Not Applicable

DNR = Did Not Report Required Data

* Median for North Carolina HMOs

** HMO financial data not limited to commercial-insured business; also includes Medicare, Medicaid and/or ASO business (if applicable).

Service Area



Wellness Plan of North Carolina, Inc. (Wellness Plan)

President/CEO: Scott Moroney

Address: P. O. Box 12980, Charlotte, NC 28220-2980

Phone: (704) 679-3700

Medical Director: Melvin T. Pinn, Jr., MD

Member Toll Free: (800) 794-9355

Website: <http://www.thewellnessplan.com/Home.htm>

Licensure in NC: 03/18/96

NCQA Accred. Status:

Profit Status: For Profit

Most Recent Exam: 07/07/00

Enrollment at 12/31/00

Enrollment Summary	
Type	Members
Commercial - Insured	51,845
Medicaid	314,359
Medicare	0
Total	366,204
Commercial - Insured Enrollment by Premium Category	
Type	Members
Group	51,845
Individual	0
Member Months	
Commercial Insured	677,151

Financial Results for 2000

Item	Plan	Median*
Net Worth **	\$8,826,694.00	\$8,415,774.50
Pre-Tax Profit (Loss) **	(\$27,516,509.00)	(\$1,375,782.00)
Premiums Earned	\$112,511,911.00	\$106,961,998.00
Incurred for Health Care Services	\$121,474,815.00	\$103,820,092.50
Medical Loss Ratio	1.08	0.93
Premium PMPM	166.15	153.47

Member Encounter Data

Item	Rate per 10,000 member months	Median*
Inpatient Days	207.65	207.65
Outpatient/Ambulatory	5,931.41	4,780.01

Grievances, Appeals and Complaints

Item	Rate per 10,000 member months	Median*
1st Level UR Appeals	1.20	0.96
1st Level UR Grievances	1.71	1.89
"Validated" Consumer Complaints	0.10	0.06

Member Turnover

Item	Percent	Median*
Membership Change 12/31/99 - 12/31/00	-9.5%	-6.1%

Provider Turnover

Item	Providers	Median*
Resigning	58	363
Terminated by Plan	0	3
Added	60	895
Total as of 12/31/00	4,906	5,599

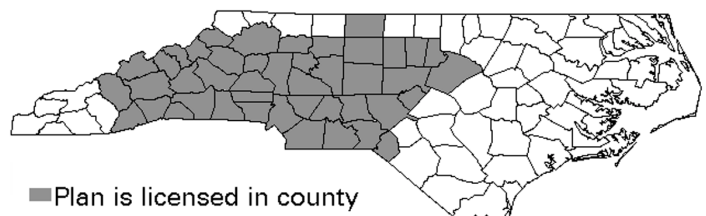
NA = Not Applicable

DNR = Did Not Report Required Data

* Median for North Carolina HMOs

** HMO financial data not limited to commercial-insured business; also includes Medicare, Medicaid and/or ASO business (if applicable).

Service Area



WellPath Select, Inc. (WellPath)

President/CEO: Tracy H. Baker

Address: 6330 Quadrangle Drive, Suite 500, Chapel Hill, NC 27514

Phone: (919) 493-1210

Medical Director: Daniel H. Barco, MD

Member Toll Free: (800) 935-7284

Website: <http://www.wellpathchp.com>

Licensure in NC: 10/26/95

NCQA Accred. Status:

Profit Status: For Profit

Most Recent Exam: 01/21/00

Enrollment at 12/31/00

Enrollment Summary	
Type	Members
Commercial - Insured	91,424
Medicaid	0
Medicare	2,890
Total	94,314
Commercial - Insured Enrollment by Premium Category	
Type	Members
Group	91,424
Individual	0
Member Months	
Commercial Insured	1,268,149

Financial Results for 2000

Item	Plan	Median*
Net Worth **	\$7,278,068.00	\$8,415,774.50
Pre-Tax Profit (Loss) **	(\$26,059,249.00)	(\$1,375,782.00)
Premiums Earned	\$193,120,600.00	\$106,961,998.00
Incurred for Health Care Services	\$197,456,284.00	\$103,820,092.50
Medical Loss Ratio	1.02	0.93
Premium PMPM	152.29	153.47

Member Encounter Data

Item	Rate per 10,000 member months	Median*
Inpatient Days	209.23	207.65
Outpatient/Ambulatory	DNR	4,780.01

Grievances, Appeals and Complaints

Item	Rate per 10,000 member months	Median*
1st Level UR Appeals	2.60	0.96
1st Level UR Grievances	2.81	1.89
"Validated" Consumer Complaints	0.17	0.06

Member Turnover

Item	Percent	Median*
Membership Change 12/31/99 - 12/31/00	-14.9%	-6.1%

Provider Turnover

Item	Providers	Median*
Resigning	1,143	363
Terminated by Plan	139	3
Added	2,080	895
Total as of 12/31/00	8,210	5,599

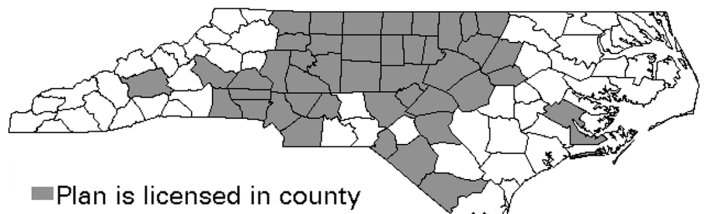
NA = Not Applicable

DNR = Did Not Report Required Data

* Median for North Carolina HMOs

** HMO financial data not limited to commercial-insured business; also includes Medicare, Medicaid and/or ASO business (if applicable).

Service Area

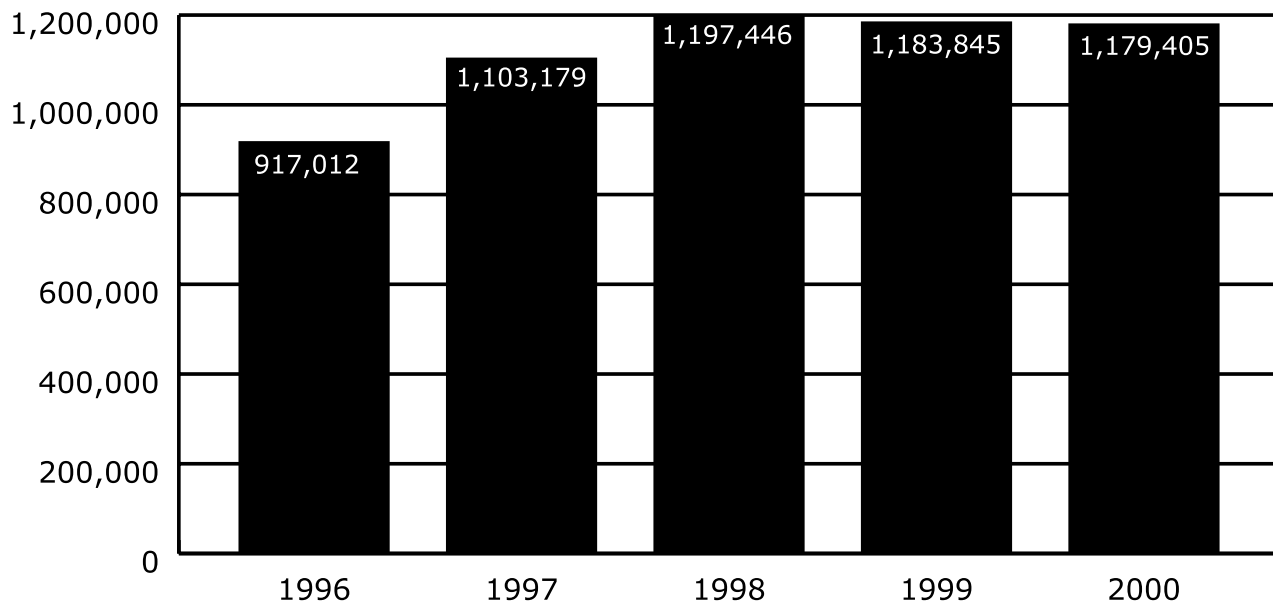


Comparative Charts and Tables

HMOs are required to report enrollment figures to the Department of Insurance. The charts below illustrate aggregate HMO enrollment trends in North Carolina for the years 1996-2000. Enrollment data for years prior to 1996 are also available upon request.

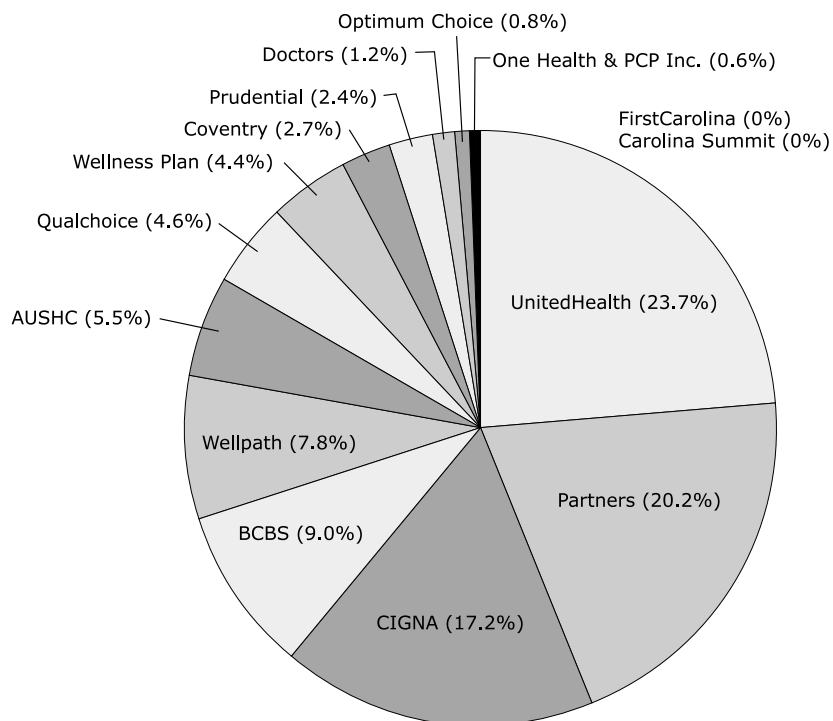
A. HMO Enrollment and Market Share

Statewide HMO Enrollment (Dec. 31, 1996 - Dec. 31, 2000) (Figure 4)



Source: N.C. Department of Insurance

Statewide Market Share, by HMO (Figure 5)



Note: Generations' membership was acquired by Partners, effective Nov. 11, 2000

Source: Annual Financial Statement 2000

HMO Market Share (Figures 6-11)

(Figure 6)

Statewide Market Share, by HMO: 12/31/00		
HMO Short Name	Enrollment	Percentage
AUSHC	64,309	5.5%
BCBS	105,766	9.0%
Carolina Summit	0	0.0%
CIGNA	202,408	17.2%
Coventry	32,290	2.7%
Doctors	13,936	1.2%
First Carolina	0	0.0%
One Health	3,385	0.3%
Optimum Choice	9,659	0.8%
Partners	238,235	20.2%
PCP Inc.	3,426	0.3%
Prudential	28,640	2.4%
Qualchoice	53,994	4.6%
United Health	280,088	23.7%
Wellness Plan	51,845	4.4%
Wellpath	91,424	7.8%
Total	1,179,405	100%

(Figure 7)

HMO Market Share, Triangle MSA: 12/31/00		
HMO Short Name	Enrollment	Percentage
AUSHC	510	0.2%
BCBS	27,256	11.1%
Carolina Summit	0	0.0%
CIGNA	70,019	28.6%
Coventry	22	0.0%
Doctors	9,003	3.7%
First Carolina	0	0.0%
One Health	1,758	0.7%
Optimum Choice	3,492	1.4%
Partners	34,302	14.0%
Prudential	5,576	2.3%
Qualchoice	80	0.0%
United Health	4,3184	17.6%
Wellness Plan	9	0.0%
Wellpath	49,715	20.3%

Note: Generations' membership was acquired by Partners, effective Nov. 11, 2000

Source: Annual Financial Statement 2000

(Figure 8)

HMO Market Share, Triad MSA: 12/31/00		
HMO Short Name	Enrollment	Percentage
AUSHC	95	0.0%
BCBS	9,896	3.7%
Carolina Summit	0	0.0%
CIGNA	7,172	2.7%
Coventry	58	0.0%
Doctors	245	0.1%
First Carolina	0	0.0%
One Health	48	0.0%
Optimum Choice	1,277	0.5%
Partners	126,588	47.0%
Prudential	145	0.1%
Qualchoice	34,170	12.7%
United Health	80,928	30.0%
Wellness Plan	94	0.0%
Wellpath	8,804	3.3%

(Figure 9)

HMO Market Share, Charlotte MSA: 12/31/00		
HMO Short Name	Enrollment	Percentage
AUSHC	36,880	13.2%
BCBS	28,667	10.3%
Carolina Summit	0	0.0%
CIGNA	46,032	16.5%
Coventry	26,742	9.6%
Doctors	372	0.1%
First Carolina	0	0.0%
One Health	1,153	0.4%
Optimum Choice	3,369	1.2%
Partners	38,786	13.9%
Prudential	17,917	6.4%
Qualchoice	3,591	1.3%
United Health	20,942	7.5%
Wellness Plan	38,824	13.9%
Wellpath	15,852	5.7%

Note: Generations' membership was acquired by Partners, effective Nov. 11, 2000

Source: Annual Financial Statement 2000

(Figure 10)

HMO Market Share, Other MSAs: 12/31/00		
HMO Short Name	Enrollment	Percentage
AUSHC	678	0.5%
BCBS	20,238	15.7%
Carolina Summit	0	0.0%
CIGNA	26,163	20.3%
Coventry	164	0.1%
Doctors	1,254	1.0%
First Carolina	0	0.0%
One Health	0	0.0%
Optimum Choice	87	0.1%
Partners	7,780	6.0%
Prudential	114	0.1%
Qualchoice	1,459	1.1%
United Health	66,869	51.8%
Wellness Plan	1,528	1.2%
Wellpath	2,806	2.2%

(Figure 11)

HMO Market Share, Non-Metro Counties: 12/31/00		
HMO Short Name	Enrollment	Percentage
AUSHC	3,307	1.7%
BCBS	18,344	9.5%
Carolina Summit	0	0.0%
CIGNA	45,053	23.4%
Coventry	1,387	0.7%
Doctors	2,795	1.5%
First Carolina	0	0.0%
One Health	305	0.2%
Optimum Choice	946	0.5%
Partners	25,468	13.2%
Prudential	1,281	0.7%
Qualchoice	12,971	6.7%
United Health	61,467	31.9%
Wellness Plan	8,997	4.7%
Wellpath	10,264	5.3%

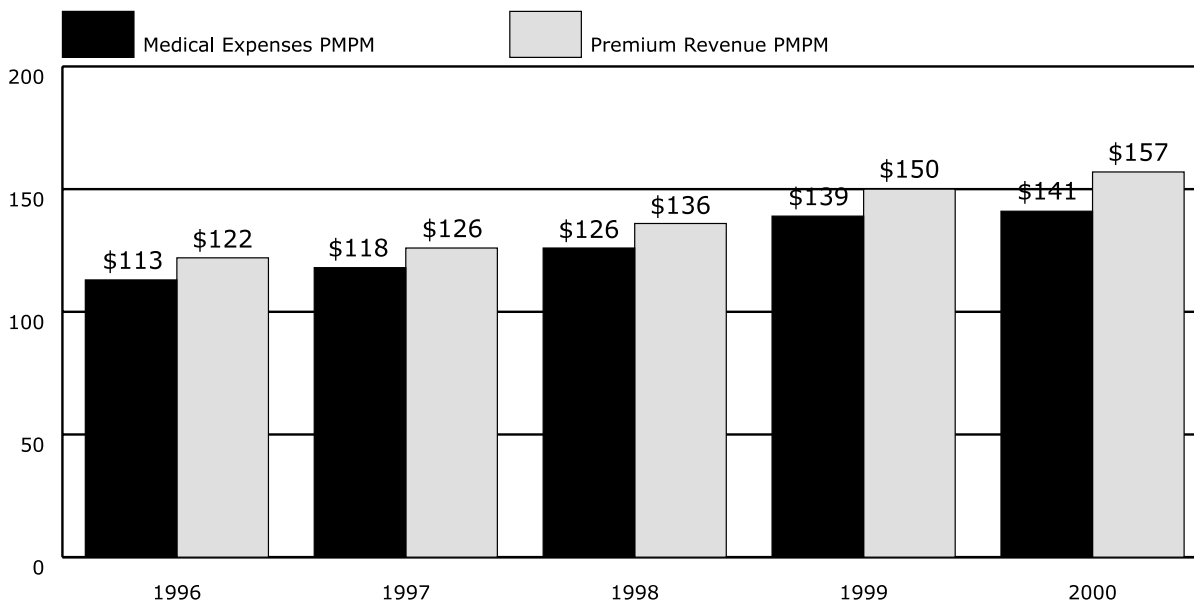
Note: Generations' membership was acquired by Partners, effective Nov. 11, 2000

Source: Annual Financial Statement 2000

B. HMO Premium Revenues and Medical Expenses

All North Carolina HMOs are required to submit an annual financial report (the “Annual Statement”) to the Department’s Financial Evaluation Division. Based on a template developed by the National Association of Insurance Commissioners (NAIC), the Annual Statement gives plans across the country a standardized financial reporting format and greatly facilitates the evaluation of an HMO’s solvency and financial condition.

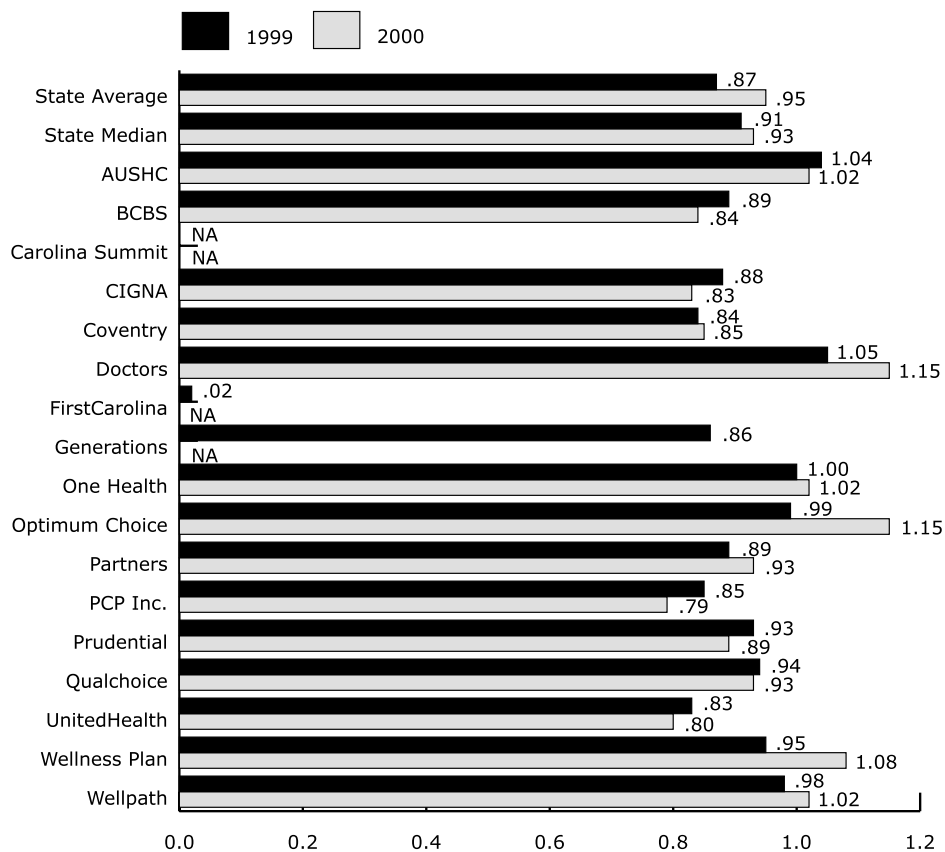
Statewide HMO Medical Expenses and Premium Revenues: 1996-2000 (Figure 12)



Note: The one-page profiles that are contained in Section II of this publication contain additional financial data for each HMO.

Source: Annual Financial Statement 1996-2000

Medical Loss Ratio, by HMO: 1999-2000 (Figure 13)



Notes:

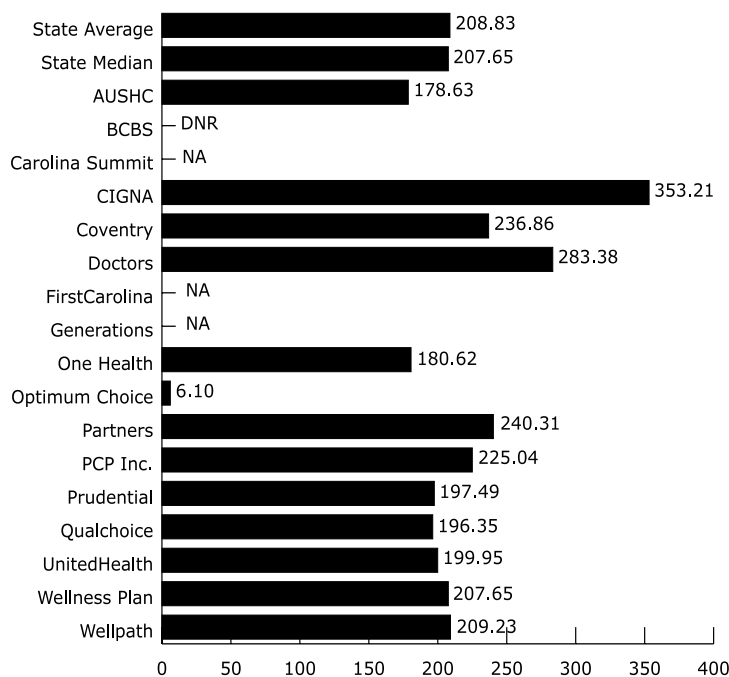
NA - Not Applicable
“Medical Loss Ratio” is the percentage of premium revenues that a plan paid out to cover medical expenses. For example, a plan that pays 90% of its collected premiums to cover member medical expenses would have a medical loss ratio of .90.

Source: Annual Financial Statement 1999-2000

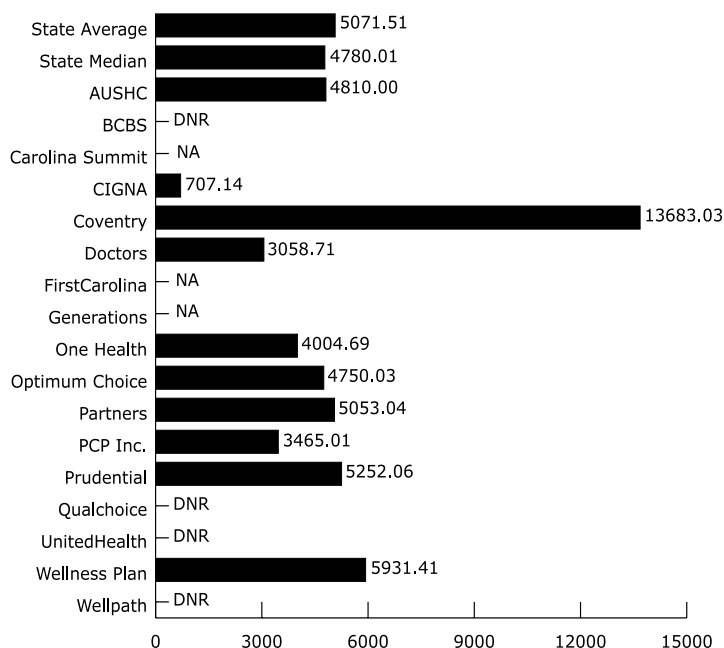
C. HMO Inpatient/Outpatient Encounter Data

The amount of health care services used by an HMO's members can be affected by numerous factors, many of which are beyond the HMO's control (covered members' ages, gender, socioeconomic levels, community practice standards, etc.). When comparing utilization statistics for several plans, it is important to consider several possible explanations for whatever differences you might see. For example, if HMO "A" has a higher inpatient utilization rate than HMO "B," then HMO "A" might be relatively ineffective at managing chronic conditions. Another possibility, however, is that HMO "A" has a relatively high proportion of adult female members, leading to a higher incidence of maternity stays. It is important to remember that the quantity of health care services provided does not necessarily reflect the quality of an HMO's delivery system.

Inpatient Days per 10,000 Member Months, by HMO: 2000 (Figure 14)



Outpatient Encounters per 10,000 Member Months, by HMO: 2000 (Figure 15)



Notes:

NA - Not Applicable
DNR - Did Not Report
Required Data

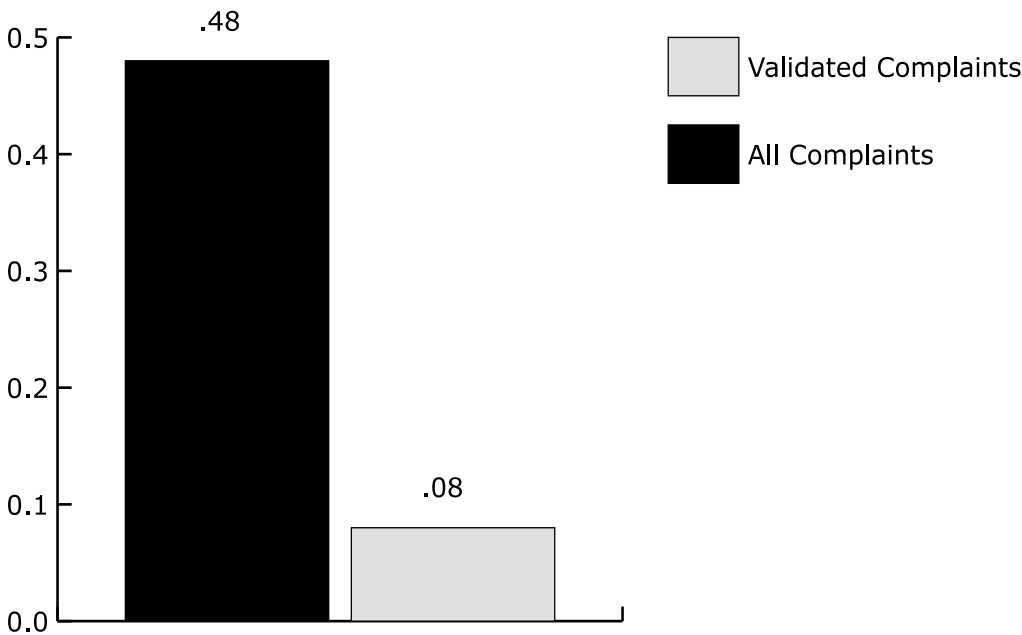
Source: Annual Financial Statement (2000)

D. HMO Complaints Received by the Department of Insurance

North Carolina law requires managed care plans to offer a formal grievance process to their members. However, managed care plan members may file complaints with the Department's Consumer Services Division, whether or not the plan's grievance process has been utilized. Consumer Services reviews and investigates each complaint to determine whether the plan has violated applicable State insurance laws, regulations and/or terms of the policy contract; if such violations and/or fault are found to have occurred, or if the company acknowledges that it was at fault, then the complaint is termed "validated." The Department takes appropriate regulatory action to require companies to correct any incidences of non-compliance.

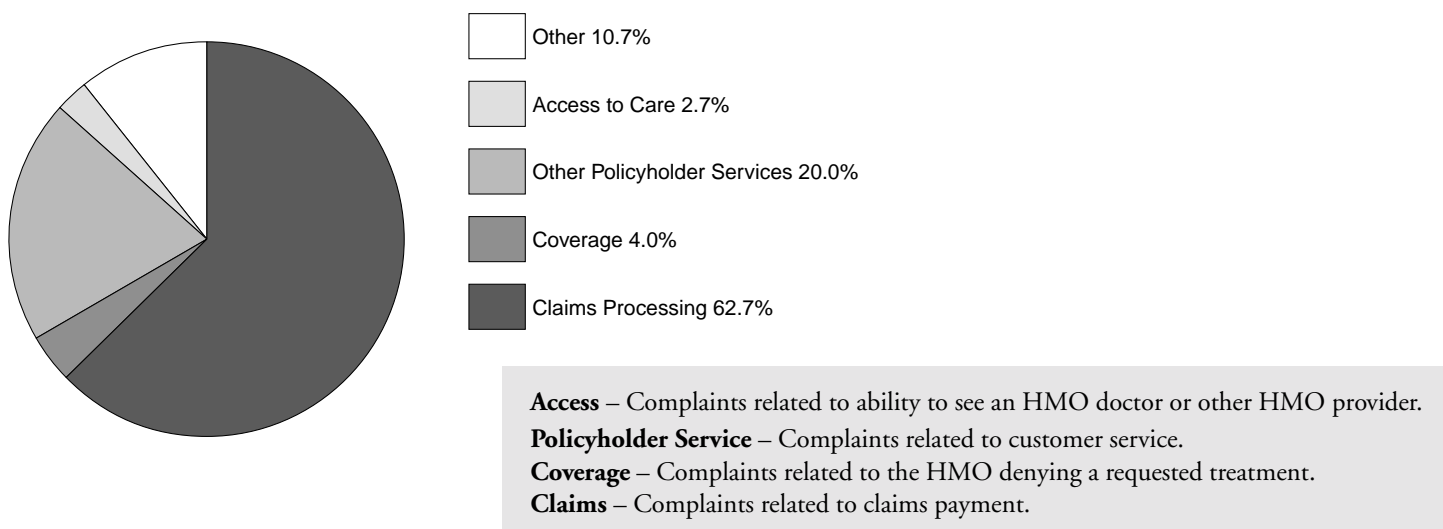
Using data provided by the Department's Consumer Services Division, the first three charts below show the overall rate of HMO consumer complaints received during 2000 (Figure 16), a breakdown of validated 2000 consumer complaints by complaint reason (Figure 17) and the rate of validated consumer complaints against each HMO during 2000 (Figure 18).

Consumer Complaints Against North Carolina HMOs, per 10,000 Member Months: 2000 (Figure 16)



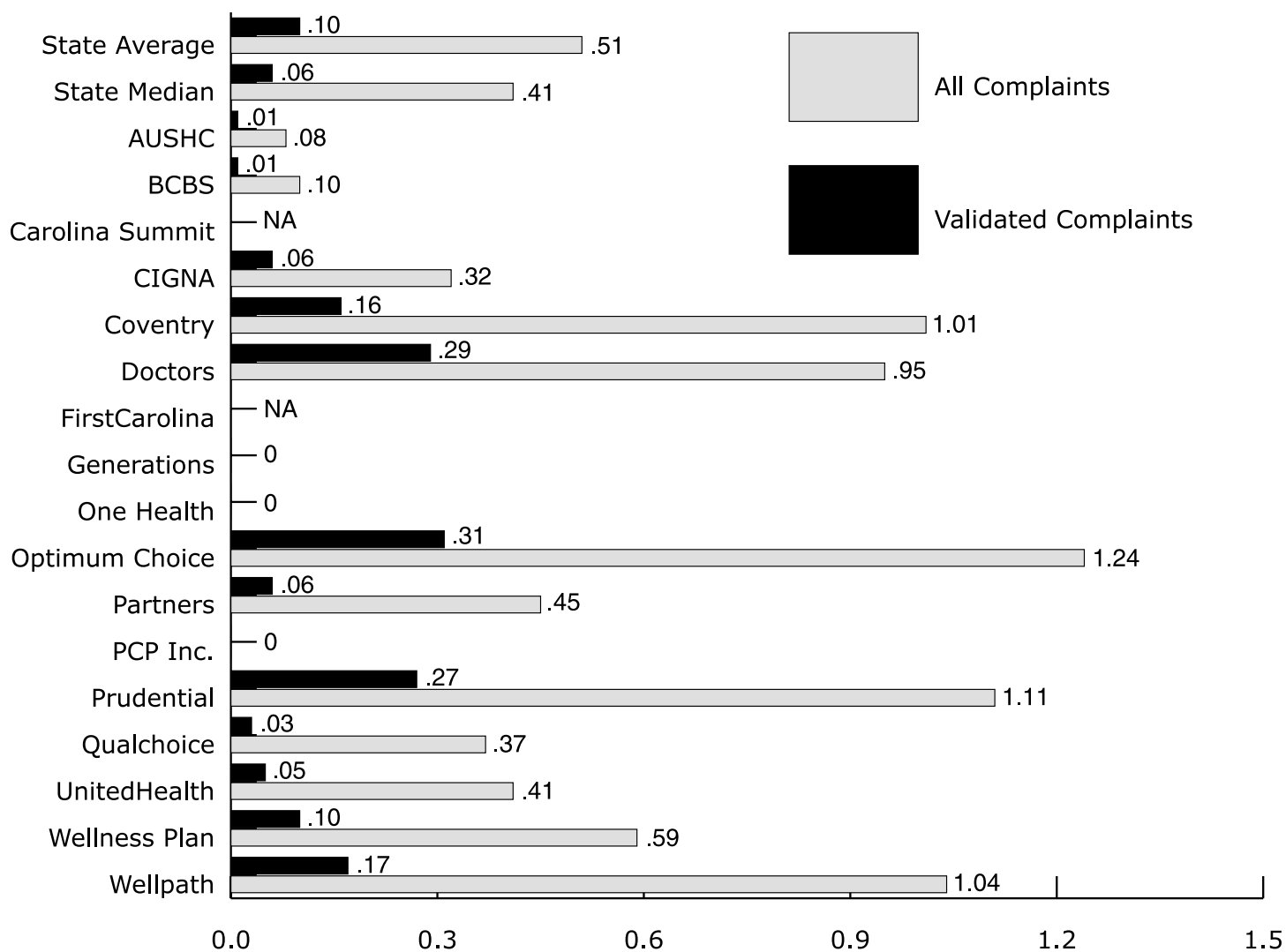
Source: N.C. Department of Insurance

"Validated" NCDOI Consumer Complaints Against North Carolina HMOs, by Reason: 2000 (Figure 17)



Source: N.C. Department of Insurance

“Validated” Consumer Complaints Against North Carolina HMOs, per 10,000 Member Months: 2000 (Figure 18)

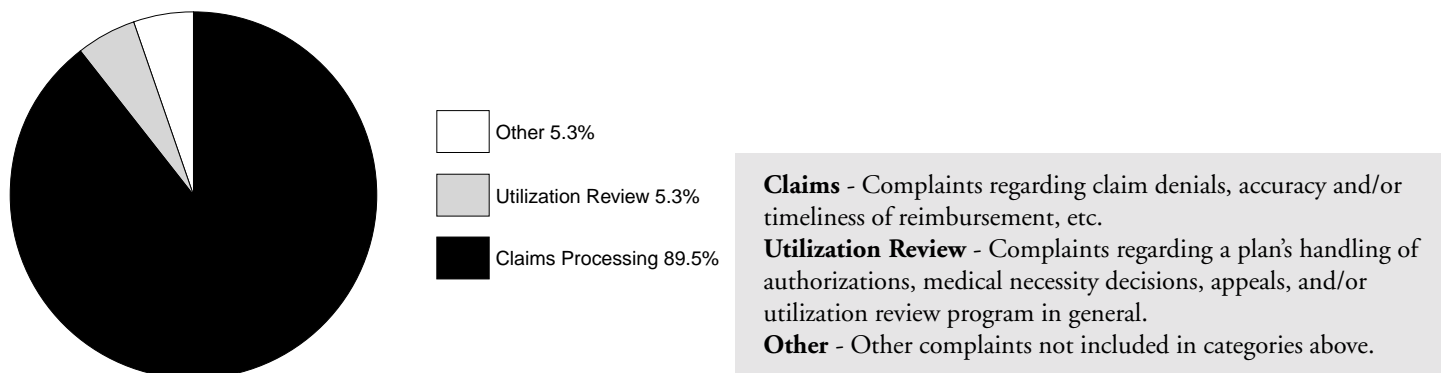


Note: Not Applicable

Source: N.C. Department of Insurance

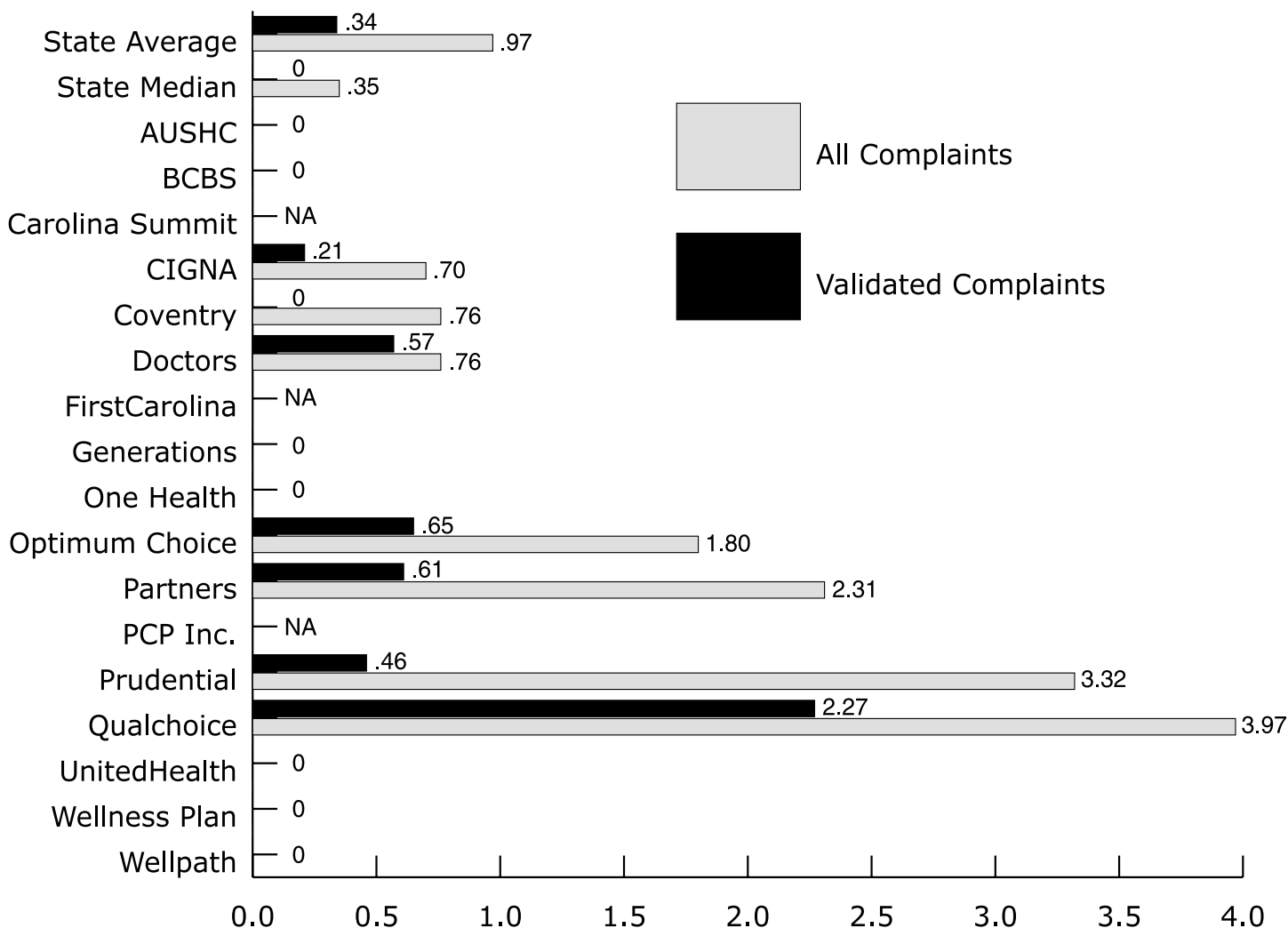
Unlike consumer complaints, which are handled by the Consumer Services Division, *provider* complaints about managed care plans are handled by the Managed Care and Health Benefits Division. The two charts below show a breakdown of validated provider complaints filed in 2000, by reason (Figure 19) and the rate of validated provider complaints filed against each HMO during 2000 (Figure 20).

Validated Provider Complaints Against North Carolina HMOs, by Reason: 2000 (Figure 19)



Source: N.C. Department of Insurance

Provider Complaints Against North Carolina HMOs, per 1000 Providers in Each HMO's Network as of Dec. 31, 2000 (Figure 20)



Note: NA = Not Applicable

Source: N.C. Department of Insurance

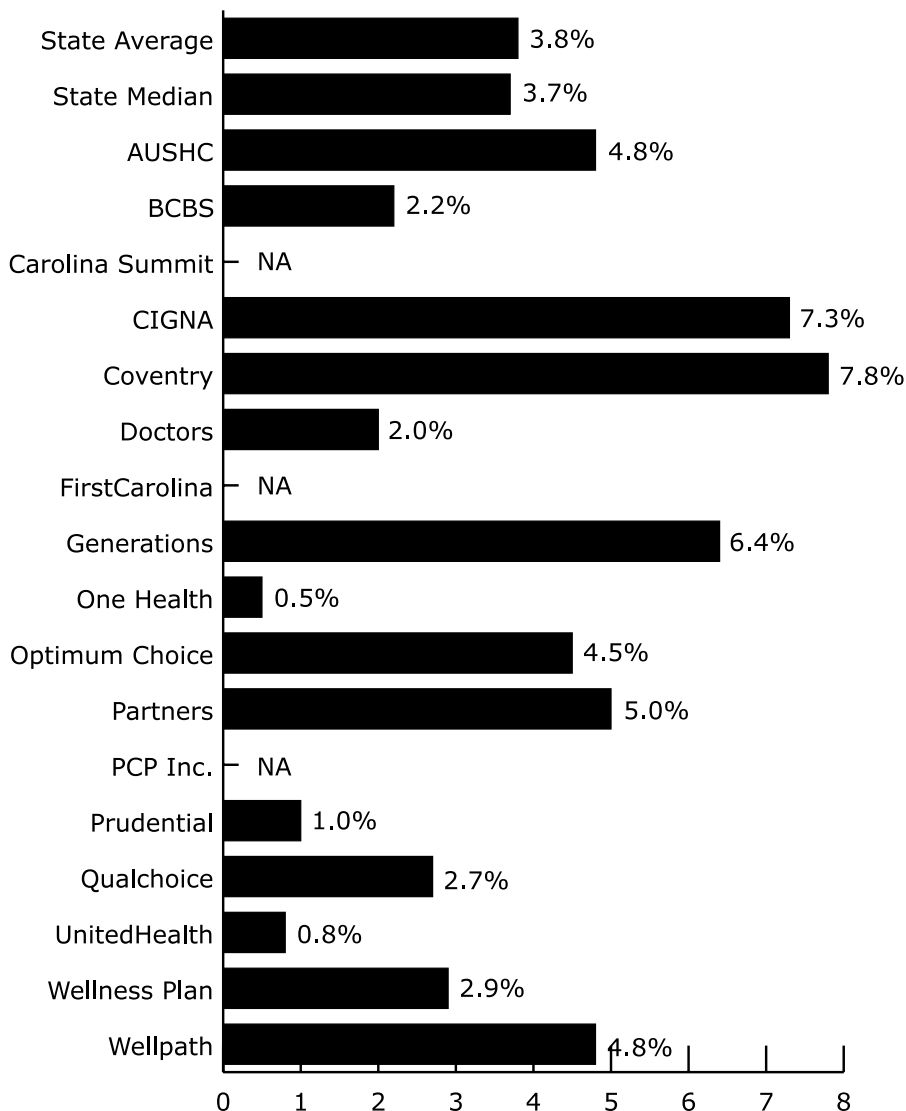
E. HMO Utilization Review and Appeals

Under NCGS 58-50-61(a)(17), “utilization review” (UR) is defined as a set of formal techniques designed to monitor the use of or evaluate the clinical necessity, appropriateness, efficacy or efficiency of health care services, procedures, providers or facilities. Such techniques could include case management as well as prospective, concurrent and retrospective reviews. There can be considerable differences in how each HMO performs its utilization review activities.

When a health plan’s utilization review process determines that a requested health care service is not medically necessary, the affected member has the right to file an appeal, asking the health plan to overturn the initial denial decision (or “noncertification”). A member may also file a second-level grievance if the HMO’s response to the appeal is not satisfactory.

Percentage of Utilization Reviews Resulting in Noncertification, by HMO: 2000 (Figures 21-22)

Percentage of Utilization Reviews Resulting in Noncertification, by HMO: 2000	
Company Name	Percent
State Average	3.8%
State Median	3.7%
AUSHC	4.8%
BCBS	2.2%
Carolina Summit	NA
CIGNA	7.3%
Coventry	7.8%
Doctors	2.0%
FirstCarolina	NA
Generations	6.4%
One Health	0.5%
Optimum Choice	4.5%
Partners	5.0%
PCP Inc.	NA
Prudential	1.0%
Qualchoice	2.7%
UnitedHealth	0.8%
Wellness Plan	2.9%
Wellpath	4.8%

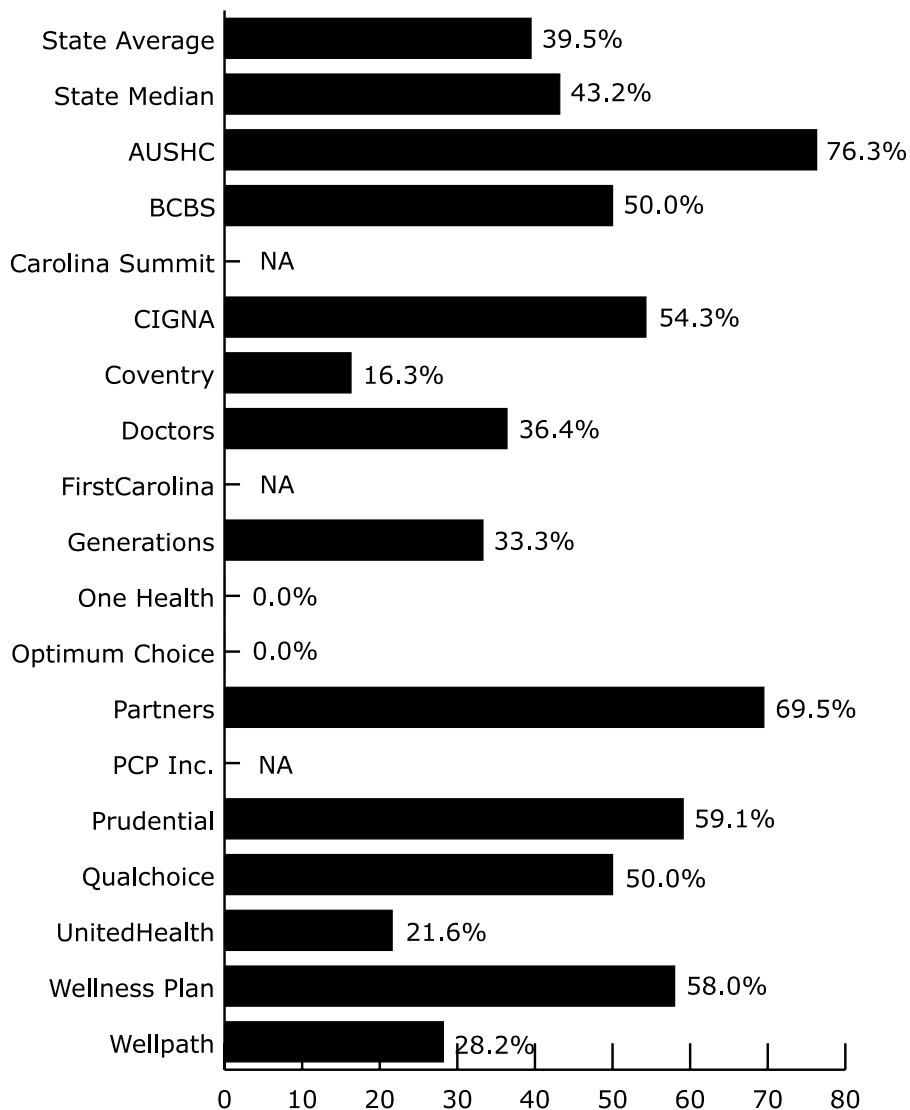


Note: NA = Not Applicable

Source: Annual Managed Care Data Filings 2000

Percentage of First-Level Appeals Resolved in Members' Favor, by HMO: 2000 (Figures 23-24)

Percentage of First-Level Appeals Resolved in Members' Favor, by HMO: 2000	
Company Name	Percent
State Average	39.5%
State Median	43.2%
AUSHC	76.3%
BCBS	50.0%
Carolina Summit	NA
CIGNA	54.3%
Coventry	16.3%
Doctors	36.4%
FirstCarolina	NA
Generations	33.3%
One Health	0.0%
Optimum Choice	0.0%
Partners	69.5%
PCP Inc.	NA
Prudential	59.1%
Qualchoice	50.0%
UnitedHealth	21.6%
Wellness Plan	58.0%
Wellpath	28.2%



Note: NA = Not Applicable

Source: Annual Managed Care Data Filings 2000

F. HMO Grievances

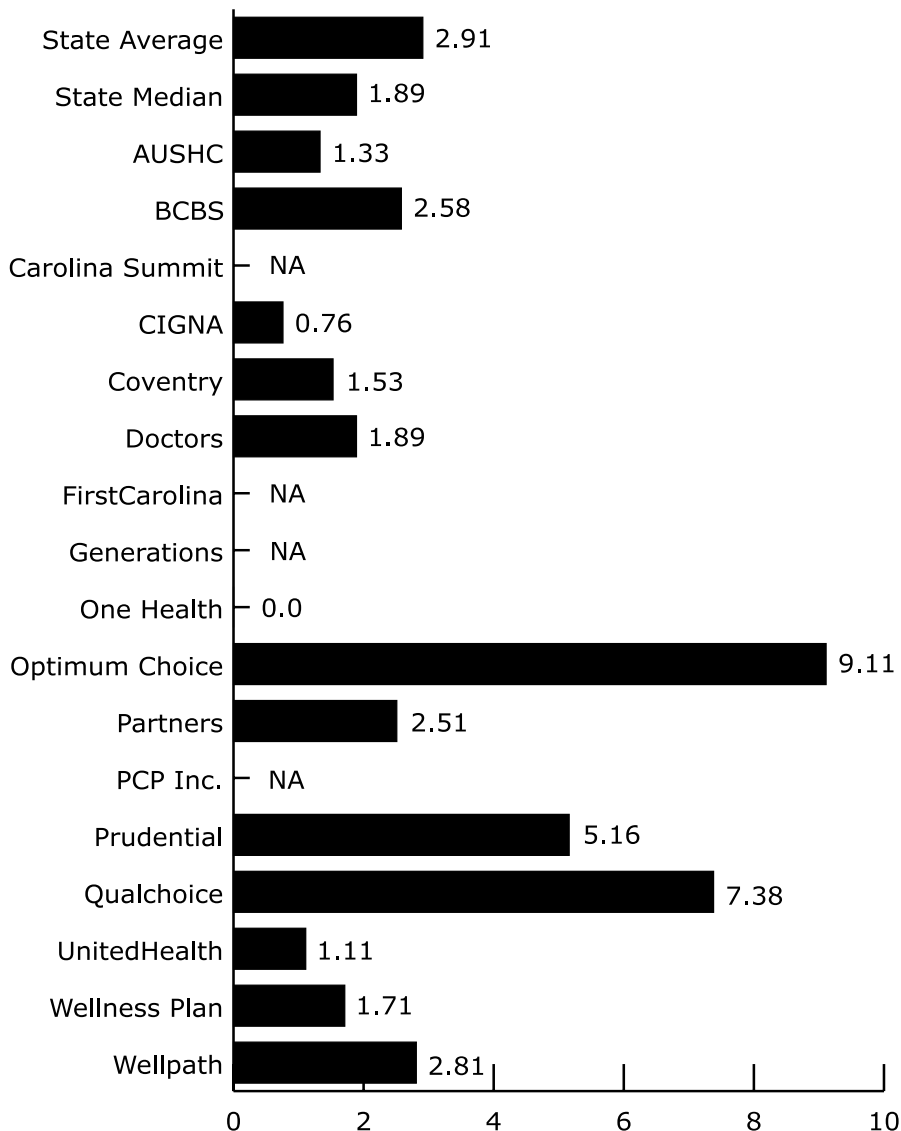
As defined in NCGS 58-50-61(a)(6), a grievance is any written complaint regarding a plan's decisions or policies relating to health care delivery, availability or quality; claims payment/processing or reimbursement for services; the contractual relationship between a covered person and the plan or the outcome of an appeal of a noncertification. A member may file a second-level grievance if the HMO's response to the first-level grievance is not satisfactory.

Note that these data do not include second-level grievances relating to UR decisions; those grievances are reported as "appeals."

Not all grievances result from unfair policies or incorrect decisions by HMOs. For example, a member's complaint might have resulted from his/her not following the HMO's procedures for obtaining services. Therefore, the number or rate of grievances received does not necessarily indicate the quality of an HMO or the satisfaction level of its members.

First-Level Grievances per 10,000 Member Months, by HMO: 2000 (Figures 25-26)

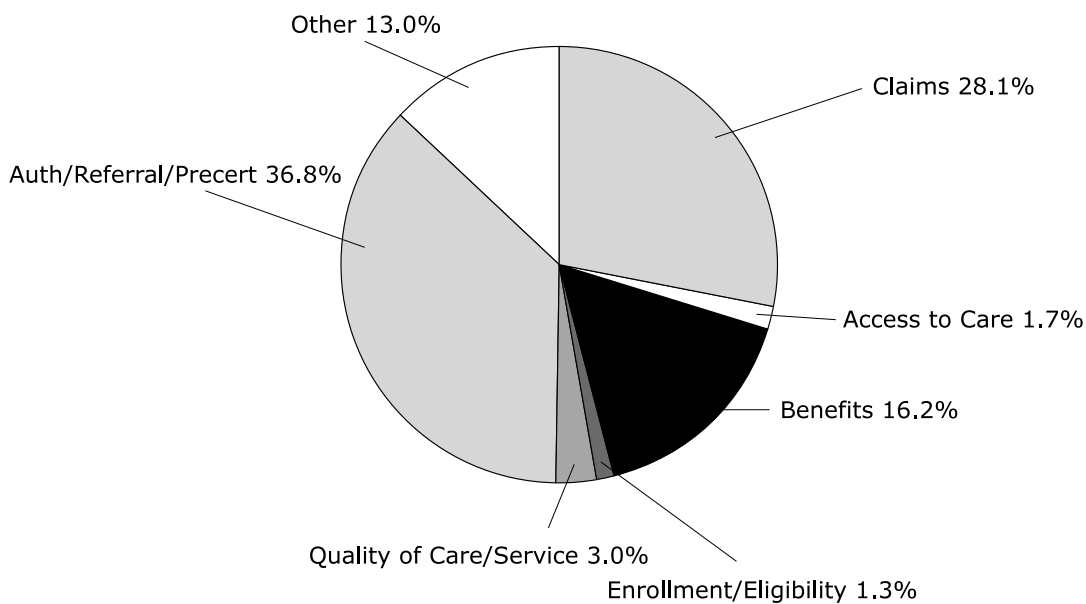
First-Level Grievances per 10,000 Member Months, by HMO: 2000	
Company Name	Rate
State Average	2.91
State Median	1.89
AUSHC	1.33
BCBS	2.58
Carolina Summit	NA
CIGNA	0.76
Coventry	1.53
Doctors	1.89
FirstCarolina	NA
Generations	NA
One Health	0.0
Optimum Choice	9.11
Partners	2.51
PCP Inc.	NA
Prudential	5.16
Qualchoice	7.38
UnitedHealth	1.11
Wellness Plan	1.71
Wellpath	2.81



Note: NA = Not Applicable

Source: Annual Managed Care Data Filings 2000

First-Level Grievances, by Reason: 2000 (Figure 27)



Access to Care — Grievances about the availability of in-network providers (appointment wait times; driving distance; etc.)

Authorization/Referral/Precert — Grievances about problems with authorization for services.

Benefits — Grievances about coverage limits, copayments/coinsurance, exclusion, etc.

Claims — Grievances about the timeliness and/or accuracy of claims processing.

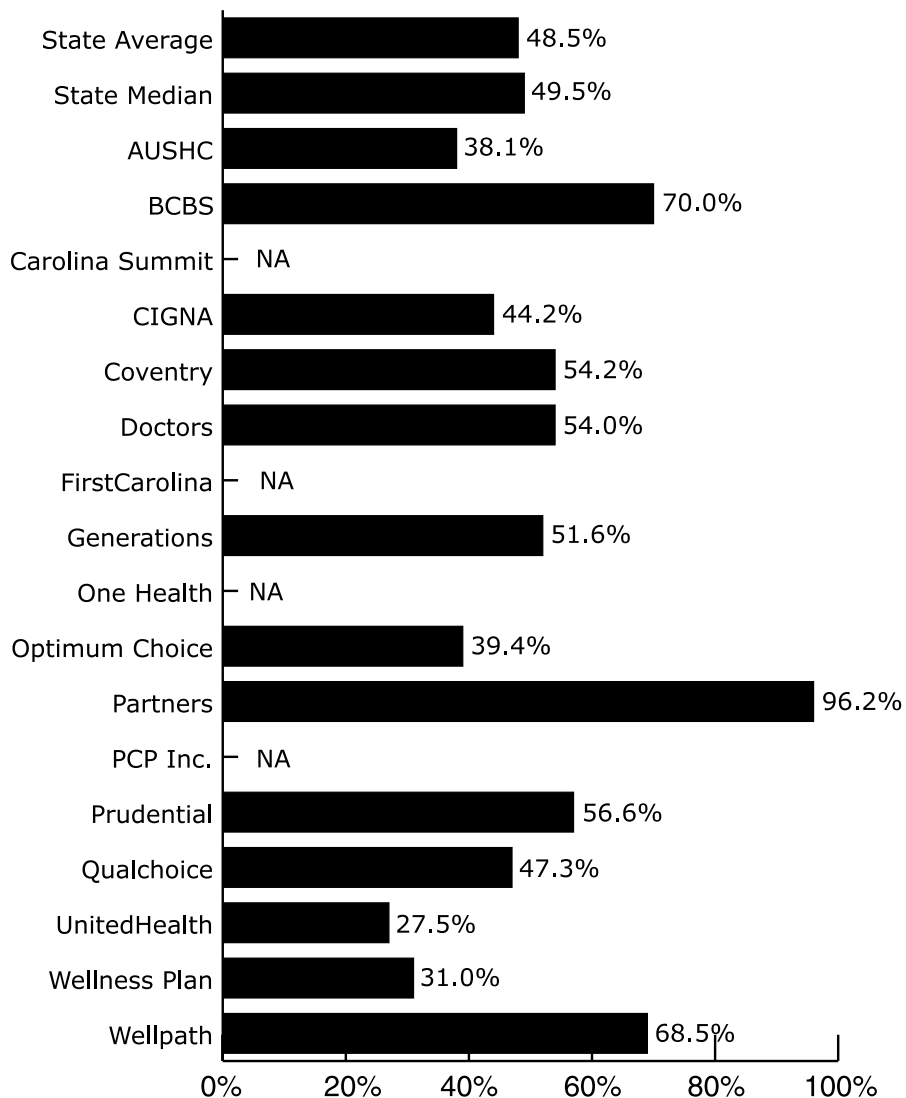
Enrollment/Eligibility — Grievances about the accuracy of Plan's enrollment/eligibility information, and/or about difficulty accessing that information.

Quality of Care/Service — Grievances about the quality of care rendered by in-network providers, provider/staff behavior, etc.

Source: Annual Managed Care Data Filings 2000

Percentage of First-Level Grievances Resolved in Members' Favor, by HMO: 2000 (Figures 28-29)

Percentage of First-Level Grievances Resolved in Members' Favor, by HMO: 2000	
Company Name	Percent
State Average	48.5%
State Median	49.5%
AUSHC	38.1%
BCBS	70.0%
Carolina Summit	NA
CIGNA	44.2%
Coventry	54.2%
Doctors	54.0%
FirstCarolina	NA
Generations	51.6%
One Health	NA
Optimum Choice	39.4%
Partners	96.2%
PCP Inc.	NA
Prudential	56.6%
Qualchoice	47.3%
UnitedHealth	27.5%
Wellness Plan	31.0%
Wellpath	68.5%



Note: NA = Not Applicable

Source: Annual Managed Care Data Filings 2000

G. HMO Provider Network Summary

Because HMO members are either required to obtain their health care services from “in-network” providers, or given strong financial incentives to do so, it is essential that HMO provider networks contain adequate numbers of providers with appropriate appointment availability, and whose locations are reasonably convenient for covered members. HMOs are required to establish standards for provider appointment availability and geographic accessibility, and networks must be continuously monitored with respect to those standards.

The table below shows the 2000 Geographic Accessibility standards held by each HMO in 2000, expressed as the number of providers within a specific driving distance. (Example: “2:10” indicates a standard of two providers within 10 miles of each covered member.)

Geographic Provider Accessibility Standards, by HMO: 2000 (Figure 30)

H M O Short N a m e	A r e a	P C P	P e d . s	O B / G y n	S p e c i a l i s t M D s	N o n - M D s
A U S H C	R u r a l	1:30	1:30	1:60	1:60	1:60
A U S H C	S u b u r b a n	-	-	-	-	-
A U S H C	U r b a n	1:15	1:15	1:30	1:30	1:30
B C B S	R u r a l	2:15	2:15	2:30	1:65	1:30
B C B S	U r b a n	2:10	2:10	2:15	1:30	1:15
C a r o l i n a S u m m i t	R u r a l	N / A	N / A	N / A	N / A	N / A
C a r o l i n a S u m m i t	S u b u r b a n	N / A	N / A	N / A	N / A	N / A
C a r o l i n a S u m m i t	U r b a n	N / A	N / A	N / A	N / A	N / A
C I G N A	R u r a l	2:15	2:15	1:20	1:20	-
C I G N A	S u b u r b a n	2:10	2:10	1:20	1:20	-
C I G N A	U r b a n	2:08	2:08	1:20	1:20	-
C o v e n t r y	R u r a l	2:10	-	1:45	1:60	1:45
C o v e n t r y	S u b u r b a n	2:10	-	1:30	1:60	1:30
C o v e n t r y	U r b a n	2:10	-	1:30	1:60	1:30
D o c t o r s	R u r a l	2:30	2:30	2:60	2:60	2:60
D o c t o r s	S u b u r b a n	2:30	2:30	2:60	2:60	2:60
D o c t o r s	U r b a n	2:30	2:30	2:60	2:60	2:60
F i r s t C a r o l i n a	R u r a l	1:30	1:30	1:30	1:45	-
O n e H e a l t h	R u r a l	2:60	2:60	1:60	1:60	1:60
O n e H e a l t h	U r b a n	2:30	2:30	2:30	2:60	2:60
O p t i m u m C h o i c e	R u r a l	1:30	1:30	1:30	1:30	1:30
O p t i m u m C h o i c e	S u b u r b a n	1:30	1:30	1:30	1:30	1:30
O p t i m u m C h o i c e	U r b a n	1:30	1:30	1:30	1:30	1:30
P a r t n e r s	R u r a l	1:25	1:25	1:50	1:50	1:50
P r u d e n t i a l	R u r a l	1:30	1:30	1:60	1:60	1:30 (R x)
P r u d e n t i a l	S u b u r b a n	-	-	-	-	1:15 (R x)
P r u d e n t i a l	U r b a n	1:15	1:15	1:30	1:30	1:8 (R x)
Q u a l c h o i c e	R u r a l	1:30	1:30	1:30	1:60	1:30
Q u a l c h o i c e	U r b a n	1:15	1:15	1:15	1:30	1:30
U n i t e d H e a l t h	R u r a l	1:50	1:50	1:50	1:90	1:90
U n i t e d H e a l t h	S u b u r b a n	-	-	-	-	-
U n i t e d H e a l t h	U r b a n	1:30	1:30	1:30	1:50	1:50
W e l l n e s s P l a n	R u r a l	2:25	2:25	2:25	2:35	-
W e l l n e s s P l a n	S u b u r b a n	2:10	2:10	2:10	2:10	-
W e l l n e s s P l a n	U r b a n	2:10	2:10	2:10	2:10	-
W e l l p a t h	R u r a l	2:10	-	1:45	1:60	1:45
W e l l p a t h	S u b u r b a n	2:10	-	1:30	1:60	1:30
W e l l p a t h	U r b a n	2:10	-	1:30	1:60	1:30

Notes: NA = Not Applicable.

HMOs are not required to have separate standards for urban vs. suburban vs. rural areas.

Source: Annual Managed Care Data Filings 2000

III. 2000 PPO Plan Activity

Licensed Insurers Offering PPO Benefit Plans in North Carolina

PPO benefit plans are products offered by licensed indemnity carriers. Figure 31 shows the licensed indemnity carriers that were offering full-service PPO Benefit Plans in North Carolina, as of Dec. 31, 2000.

Licensed Insurers Offering Full-Service PPO Benefit Plans in North Carolina: 12/31/00 (Figure 31)								
Name of PPO Plan Carrier	Address	City	State	Zip	Phone	Enrollment	% of Total	
Aetna Life Insurance Company	151 Farmington Avenue	Hartford	CT	06156	(203) 273-0123	6,276	0.8%	
Alta Health & Life Insurance Company	8515 East Orchard Road	Englewood	CO	80111	(303) 737-3000	DNR	DNR	
American Republic Insurance Company	P. O. Box 1	Des Moines	IA	50301	(515) 245-2000	10,090	1.3%	
Blue Cross & Blue Shield of North Carolina	P.O. Box 2291	Durham	NC	27702	(919) 489-7431	366,767	48.5%	
Celtic Insurance Company	233 S. Wacker Drive, Suite #700	Chicago	IL	60606-6393	(312) 332-5401	3,704	0.5%	
Central Reserve Life Insurance Company	17800 Royalton Road	Strongsville	OH	44136	(216) 572-2400	7,326	1.0%	
Connecticut General Life Insurance Company	900 Cottage Grove Road	Hartford	CT	06152-1038	(203) 726-6000	26,246	3.5%	
Conseco Medical Insurance Company	303 North Main Street	Rockford	IL	61101	(815) 720-2103	20,842	2.8%	
Employers Health Insurance Company	1100 Employers Boulevard	Green Bay	WI	54344	(414) 336-1100	33,623	4.4%	
Federated Mutual Insurance Company	121 East Park Square	Owatonna	MN	55060	(507) 455-5200	4,959	0.7%	
Fortis Benefits Insurance Company	P. O. Box 419052	Kansas City	MO	641416052	(816) 474-2359	8,472	1.1%	
Fortis Insurance Company	P.O. Box 3050	Milwaukee	WI	53201-3050	(414) 271-3011	9,022	1.2%	
GE Group Life Assurance Company	P.O. Box 1900	Enfield	CT	06083-1900	(860) 737-1000	812	0.1%	
General American Life Insurance Company	700 Market Street	St. Louis	MO	63101	(314) 231-1700	1,680	0.2%	
Great-West Life & Annuity Insurance Company	8515 East Orchard Road	Englewood	CO	80111	(303) 689-3000	DNR	DNR	
Guardian Life Insurance Company of America	7 Hanover Square	New York	NY	10004	(212) 598-8000	42,179	5.6%	
John Alden Life Insurance Company	P. O. Box 020270	Miami	FL	33102-0270	(305) 715-2000	7,384	1.0%	
MAMSI Life and Health Insurance Company	4 Taft Court	Rockville	MD	20850	(919) 281-7100	39,651	5.2%	
Mega Life and Health Insurance Company	4001 McEwen, Suite 300	Dallas	TX	75380	(214) 960-8497	4,707	0.6%	
Mutual of Omaha Insurance Company	Mutual of Omaha Plaza	Omaha	NE	68175	(402) 342-7600	6,491	0.9%	
New England Life Insurance Company	501 Boylston Street	Boston	MA	02117	(617) 578-2000	DNR	DNR	
Pacific Life & Annuity Company	700 Newport Center Drive	Newport Beach	CA	92660	(714) 640-3011	4,318	0.6%	
Pacific Life Insurance Company	17360 Brookhurst Street	Fountain Valley	CA	92708	(714) 640-3011	2,631	0.3%	
Philadelphia American Life Insurance Company	P. O. Box 4884	Houston	TX	772104884	(713) 368-7200	DNR	DNR	
Pioneer Life Insurance Company	11815 N. Pennsylvania St.	Carmel	IN	46032	(800) 888-4918	2,255	0.3%	
Principal Life Insurance Company	711 High Street	Des Moines	IA	50392	(515) 247-5111	70,709	9.3%	
Protective Life Insurance Company	P. O. Box 2606	Birmingham	AL	35202	(205) 879-9230	6,656	0.9%	
Prudential Insurance Company of America	751 Broad Street	Newark	NJ	07102-3777	(973) 802-4421	8,965	1.2%	
Trustmark Insurance Company (Mutual)	400 Field Drive	Lake Forest	IL	60045-2581	(708) 615-1500	19,049	2.5%	
UniCARE Life & Health Insurance Company	1295 State Street	Springfield	MA	01111	(413) 788-8411	8,468	1.1%	
United HealthCare Insurance Company	P. O. Box 150450	Hartford	CT	061150450	(860) 702-6938	4,624	0.6%	
United of Omaha Life Insurance Company	Mutual of Omaha Plaza	Omaha	NE	68175	(402) 342-7600	425	0.1%	
United Wisconsin Life Insurance Company	P. O. Box 19032	Green Bay	WI	543079032	(920) 661-6020	5,019	0.7%	
United World Life Insurance Company	3316 Farnam Street	Omaha	NE	68175	(402) 342-7600	37	0.0%	
World Insurance Company	11808 Grant St.	Omaha	NE	68114	(402) 496-8000	7,832	1.0%	

Note: DNR = Did Not Report Required Data.

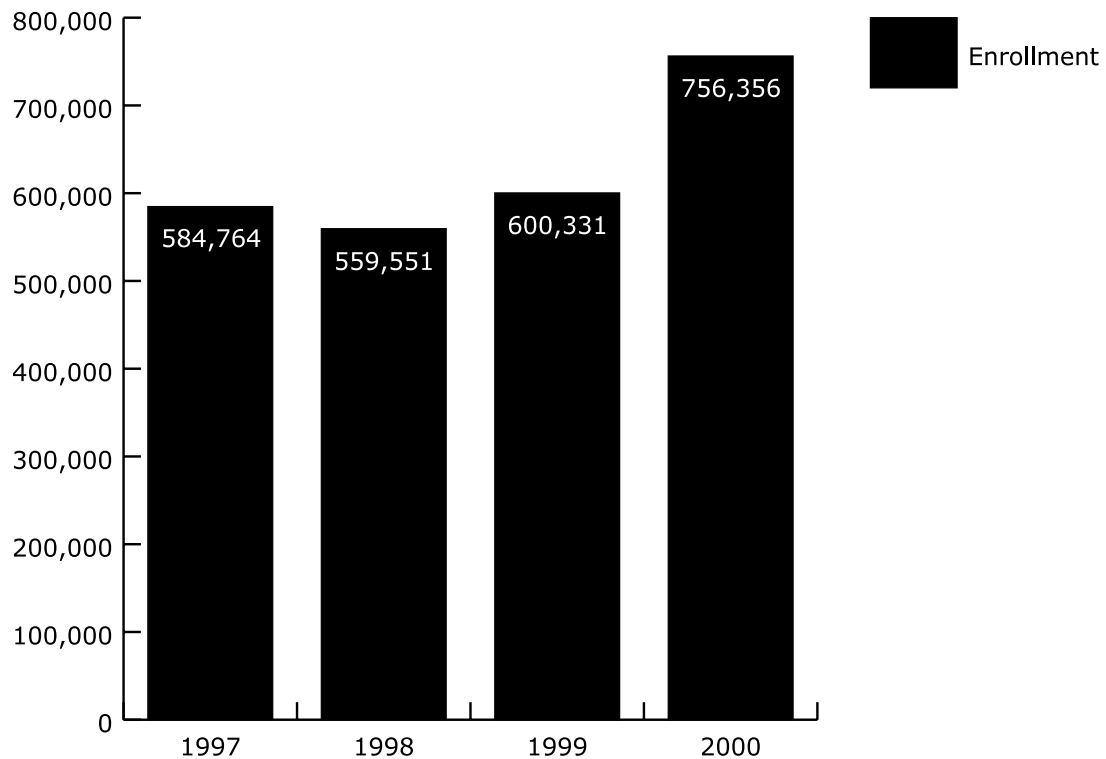
Source: N.C. Department of Insurance

Due to differences in the laws and reporting requirements that apply to HMOs versus indemnity carriers, some of the data presented in the HMO section of this Report are not available for PPO benefit plans. For example, an insurance company files an annual financial statement to report its overall financial condition, but this statement does not contain data focused solely on the company's PPO product. Conversely, both HMOs *and* PPO carriers are subject to the annual managed care data reporting requirements set forth in NCGS 58-3-191 (covering utilization review activity, grievances, provider networks and other operational data).

Comparative Charts and Tables

A. PPO Plan Enrollment

Statewide PPO Plan Enrollment: 12/31/97 - 12/31/00 (Figure 32)



Source: Annual Managed Care Data Filings (1997-2000).

B. PPO Plan Complaints Received by the Department of Insurance

Validated Provider Complaints Against PPO Plans, by Reason: 2000 (Figure 33)



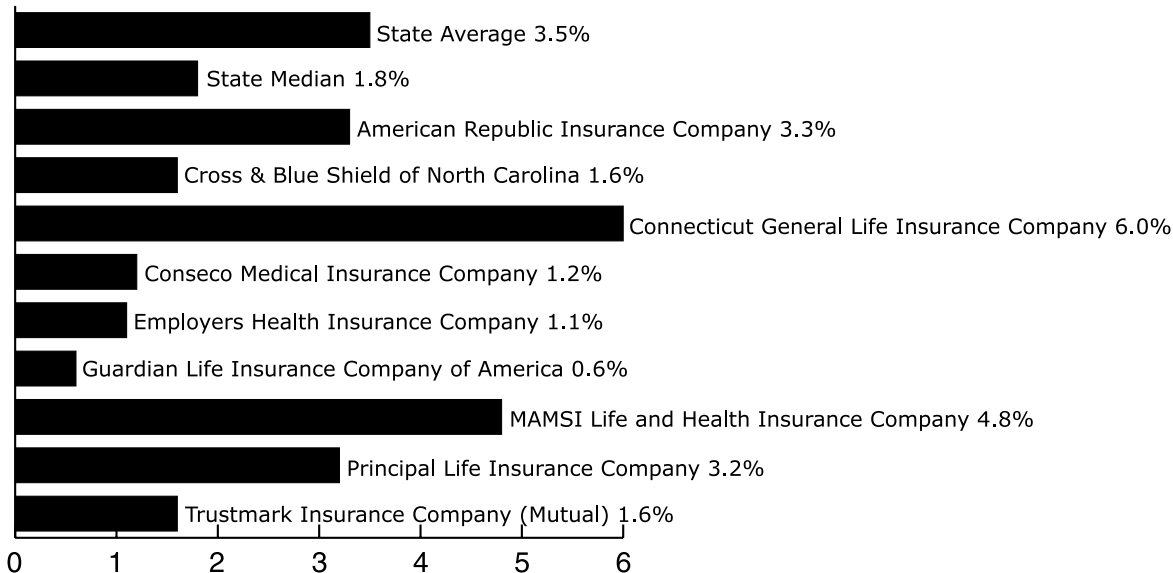
Source: N.C. Department of Insurance

C. PPO Plan Utilization Review and Appeals

Percentage of Utilization Reviews Resulting in Noncertification, by PPO Carrier: 2000 (Figure 34)

Company Name	Percent	Company Name	Percent
State Average	3.5%	Guardian Life Insurance Company of America	0.6%
State Median	1.8%	John Alden Life Insurance Company	0.5%
Aetna Life Insurance Company	1.7%	MAMSI Life and Health Insurance Company	4.8%
Alta Health & Life Insurance Company	DNR	Mega Life and Health Insurance Company	NA
American Republic Insurance Company	3.3%	Mutual of Omaha Insurance Company	0.0%
Blue Cross & Blue Shield of North Carolina	1.6%	New England Life Insurance Company	DNR
Celtic Insurance Company	6.4%	Pacific Life & Annuity Company	0.8%
Central Reserve Life Insurance Company	28.3%	Pacific Life Insurance Company	2.4%
Connecticut General Life Insurance Company	6.0%	Philadelphia American Life Insurance Company	DNR
Conseco Medical Insurance Company	1.2%	Pioneer Life Insurance Company	1.0%
Employers Health Insurance Company	1.1%	Principal Life Insurance Company	3.2%
Federated Mutual Insurance Company	3.6%	Protective Life Insurance Company	1.9%
Fortis Benefits Insurance Company	1.9%	Prudential Insurance Company of America	20.9%
Fortis Insurance Company	2.7%	Trustmark Insurance Company (Mutual)	1.6%
GE Group Life Assurance Company	0.9%	UniCARE Life & Health Insurance Company	1.0%
General American Life Insurance Company	4.7%	United HealthCare Insurance Company	0.2%
Great-West Life & Annuity Insurance Company	DNR	United of Omaha Life Insurance Company	0.0%
		United Wisconsin Life Insurance Company	2.3%
		United World Life Insurance Company	0.0%
		World Insurance Company	NA

(Figure 35) - This chart is based on data from Figure 34 for PPO plans with greater than 10,000 members on Dec. 31, 2000.



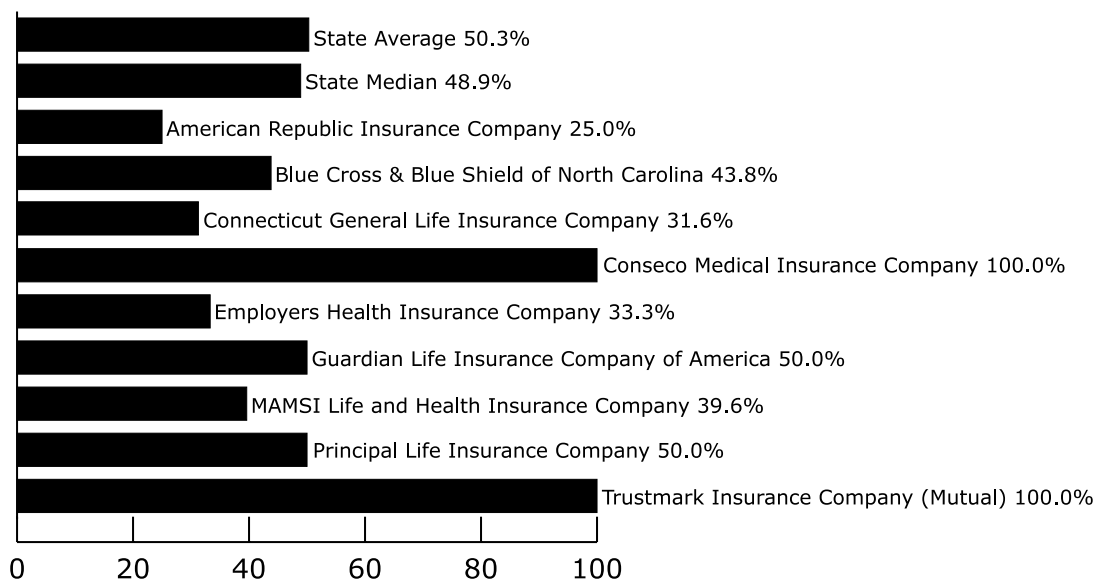
Notes: NA = Not Applicable, DNR = Did Not Report Required Data.

Source: Annual Managed Care Data Filings 2000.

Percentage of First-Level Appeals in Members' Favor, by PPO Carrier: 2000 (Figure 36)

Company Name	Percent	Company Name	Percent
State Average	50.3%	Guardian Life Insurance Company of America	50.0%
State Median	48.9%	John Alden Life Insurance Company	33.3%
Aetna Life Insurance Company	25.0%	MAMSI Life and Health Insurance Company	39.6%
Alta Health & Life Insurance Company	DNR	Mega Life and Health Insurance Company	NA
American Republic Insurance Company	25.0%	Mutual of Omaha Insurance Company	NA
Blue Cross & Blue Shield of North Carolina	43.8%	New England Life Insurance Company	DNR
Celtic Insurance Company	0.0%	Pacific Life & Annuity Company	100.0%
Central Reserve Life Insurance Company	47.8%	Pacific Life Insurance Company	NA
Connecticut General Life Insurance Company	31.6%	Philadelphia American Life Insurance Company	DNR
Conseco Medical Insurance Company	100.0%	Pioneer Life Insurance Company	NA
Employers Health Insurance Company	33.3%	Principal Life Insurance Company	50.0%
Federated Mutual Insurance Company	40.0%	Protective Life Insurance Company	82.6%
Fortis Benefits Insurance Company	66.7%	Prudential Insurance Company of America	37.5%
Fortis Insurance Company	0.0%	Trustmark Insurance Company (Mutual)	100.0%
GE Group Life Assurance Company	100.0%	UniCARE Life & Health Insurance Company	NA
General American Life Insurance Company	50.0%	United HealthCare Insurance Company	50.0%
Great-West Life & Annuity Insurance Company	83.3%	United of Omaha Life Insurance Company	NA
		United Wisconsin Life Insurance Company	50.0%
		United World Life Insurance Company	NA
		World Insurance Company	NA

(Figure 37) - This chart is based on data from Figure 36 for PPO plans with greater than 10,000 members on Dec. 31, 2000.



Notes: NA = Not Applicable, DNR = Did Not Report Required Data.

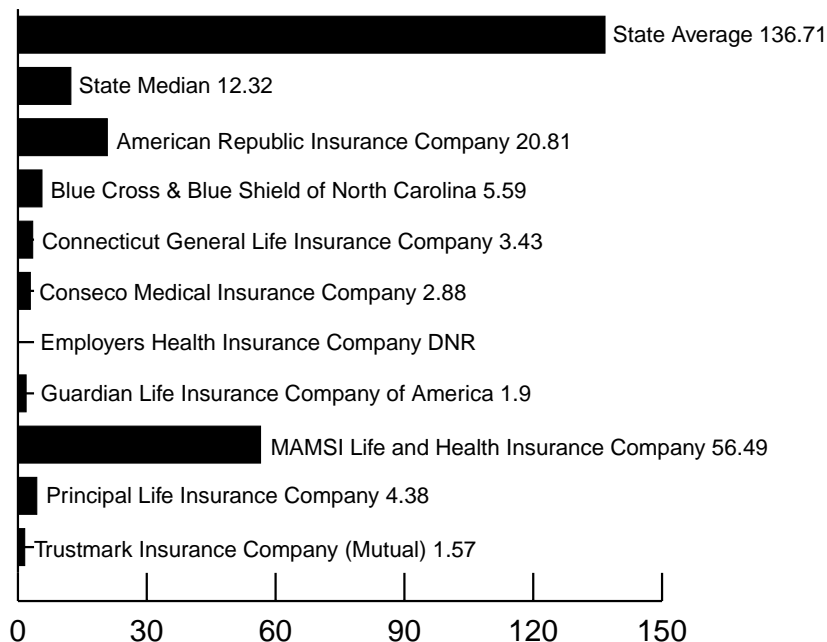
Source: Annual Managed Care Data Filings 2000.

First-Level Grievances Per 10,000 Members, by PPO Carrier: 2000 (Figure 38)

Company Name	Rate
State Average	136.71
State Median	12.32
Aetna Life Insurance Company	97.20
Alta Health & Life Insurance Company	DNR
American Republic Insurance Company	20.81
Blue Cross & Blue Shield of North Carolina	5.59
Celtic Insurance Company	0.00
Central Reserve Life Insurance Company	339.89
Connecticut General Life Insurance Company	3.43
Conseco Medical Insurance Company	2.88
Employers Health Insurance Company	DNR
Federated Mutual Insurance Company	0.00
Fortis Benefits Insurance Company	112.13
Fortis Insurance Company	223.90
GE Group Life Assurance Company	12.32
General American Life Insurance Company	5.95
Great-West Life & Annuity Insurance Company	DNR

Company Name	Rate
Guardian Life Insurance Company of America	1.90
John Alden Life Insurance Company	37.92
MAMSI Life and Health Insurance Company	56.49
Mega Life and Health Insurance Company	2.12
Mutual of Omaha Insurance Company	30.81
New England Life Insurance Company	DNR
Pacific Life & Annuity Company	194.53
Pacific Life Insurance Company	573.93
Philadelphia American Life Insurance Company	DNR
Pioneer Life Insurance Company	8.87
Principal Life Insurance Company	4.38
Protective Life Insurance Company	0.00
Prudential Insurance Company of America	0.00
Trustmark Insurance Company (Mutual)	1.57
UniCARE Life & Health Insurance Company	0.00
United HealthCare Insurance Company	19.46
United of Omaha Life Insurance Company	1552.94
United Wisconsin Life Insurance Company	53.80
United World Life Insurance Company	810.81
World Insurance Company	63.84

(Figure 39) - This chart is based on data from Figure 38 for PPO plans with greater than 10,000 members on Dec. 31, 2000.

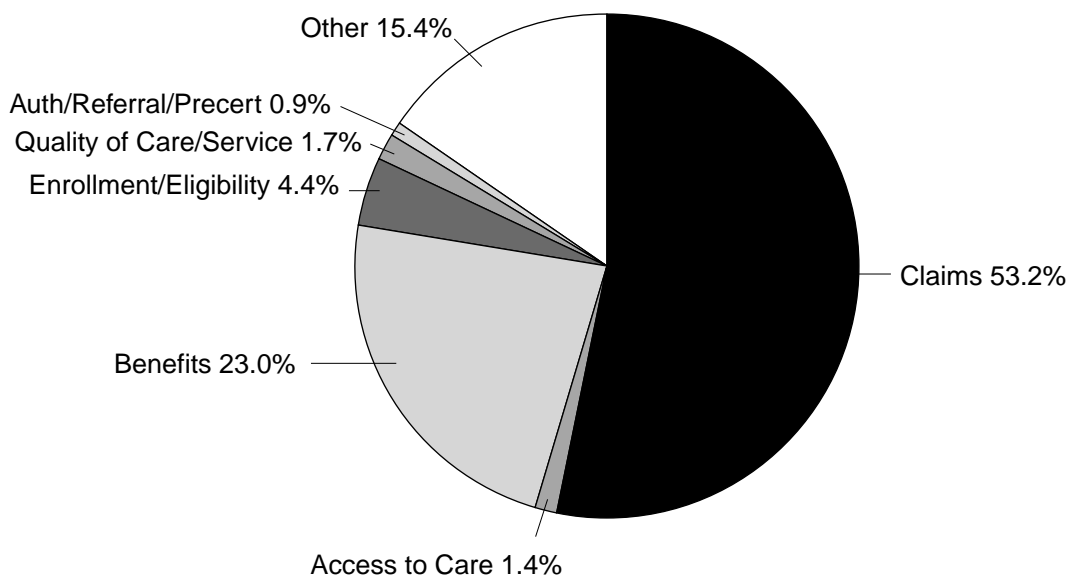


Notes: NA = Not Applicable, DNR = Did Not Report Required Data.

Source: Annual Managed Care Data Filings 2000.

D. PPO Plan Grievances

First-Level Grievances, by Reason: 2000 (Figure 40)



Access to Care — Grievances about the availability of in-network providers (appointment wait times; driving distance; etc.)

Authorization/Referral/Precert — Grievances about problems with authorization for services.

Benefits — Grievances about coverage limits, copayments/coinsurance, exclusion, etc.

Claims — Grievances about the timeliness and/or accuracy of claims processing.

Enrollment/Eligibility — Grievances about the accuracy of Plan's enrollment/eligibility information, and/or about difficulty accessing that information.

Quality of Care/Service — Grievances about the quality of care rendered by in-network providers, provider/staff behavior, etc.

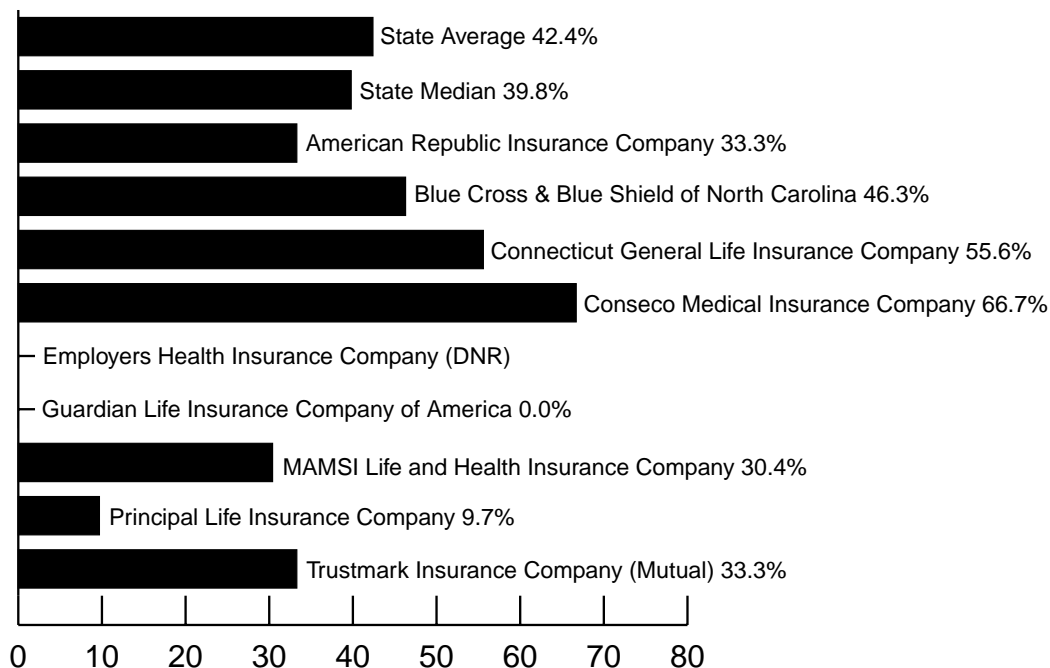
Source: Annual Managed Care Data Filings 2000

Percentage of First-Level Grievances Resolved in Members' Favor, by PPO Carrier: 2000 (Figure 41)

Company Name	Percent
State Average	42.4%
State Median	39.8%
Aetna Life Insurance Company	45.9%
Alta Health & Life Insurance Company	DNR
American Republic Insurance Company	33.3%
Blue Cross & Blue Shield of North Carolina	46.3%
Celtic Insurance Company	NA
Central Reserve Life Insurance Company	50.6%
Connecticut General Life Insurance Company	55.6%
Conseco Medical Insurance Company	66.7%
Employers Health Insurance Company	DNR
Federated Mutual Insurance Company	NA
Fortis Benefits Insurance Company	50.5%
Fortis Insurance Company	38.6%
GE Group Life Assurance Company	0.0%
General American Life Insurance Company	0.0%
Great-West Life & Annuity Insurance Company	DNR

Company Name	Percent
Guardian Life Insurance Company of America	0.0%
John Alden Life Insurance Company	25.0%
MAMSI Life and Health Insurance Company	30.4%
Mega Life and Health Insurance Company	0.0%
Mutual of Omaha Insurance Company	35.0%
New England Life Insurance Company	DNR
Pacific Life & Annuity Company	51.2%
Pacific Life Insurance Company	53.0%
Philadelphia American Life Insurance Company	DNR
Pioneer Life Insurance Company	100.0%
Principal Life Insurance Company	9.7%
Protective Life Insurance Company	NA
Prudential Insurance Company of America	NA
Trustmark Insurance Company (Mutual)	33.3%
UniCARE Life & Health Insurance Company	NA
United HealthCare Insurance Company	33.3%
United of Omaha Life Insurance Company	40.9%
United Wisconsin Life Insurance Company	33.3%
United World Life Insurance Company	100.0%
World Insurance Company	70.00%

(Figure 42) - This chart is based on data from Figure 41 for PPO plans with greater than 10,000 members on Dec. 31, 2000.



Notes: NA = Not Applicable, DNR = Did Not Report Required Data.

Source: Annual Managed Care Data Filings 2000.

IV. Glossary of Managed Care Terms

ASO (Administrative Services Only) - An arrangement in which an HMO agrees to provide specified administrative services such as utilization review, claims processing, etc. for beneficiaries of self-funded employee benefit plans. ASO business differs from insured business because the purchaser of ASO services (i.e. a self-funded employer) retains the responsibility for payment of incurred medical costs and ultimate responsibility for coverage decisions.

Appeal - A request by a member for a plan to reverse its utilization review decision to deny or reduce coverage of a service.

Commercial-Insured - Refers to those groups and individuals that pay premiums (at contracted rates) to an insurer, with the insurer accepting financial risk for the cost of covered healthcare services rendered over the course of the contract period. "Commercial-insured" excludes membership covered under self-funded employer plans, Federal plans, Medicare and Medicaid.

Grievance - A written complaint from a member.

IPA Model - An HMO that contracts with community physicians and groups in private practices to deliver health care services to its members.

Medical Loss Ratio - Ratio of medical expenses to premium revenue. For example, a Medical Loss Ratio of .93 indicates that for every dollar received as premium revenue, \$0.93 is spent on medical expenses.

Member - A person covered under a health insurance plan.

NCQA Accreditation - See "National Committee for Quality Assurance" in Section I's "Data Sources".

PCP (Primary Care Provider) - Doctors who provide primary health care services and sometimes act as "gate keepers" to specialty services. PCPs usually include family physicians, general practitioners, pediatricians and specialists.

PMPM - Per Member/ Per Month.

POS (Point-of-Service) - A type of HMO product that offers full coverage when a member receives services through the HMO's network of providers, and reduced coverage when a member uses a provider or accesses services outside of the HMO's network, or without the approval of the HMO. Typically an HMO will reduce coverage or require a higher copayment if an out-of-network provider is used.

Provider - A doctor, hospital or other health care professional or facility.

Provider Network - The doctors, hospitals and other health care professionals or facilities under contract with a health plan.

UR - Utilization Review - The process by which a managed care plan examines health care services to ensure that they are medically necessary.

V. Contact Information

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1-800-546-5664

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